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Nice, but Inadequate, French Say of Chirac

With More Than 5 Years Left in His Term, President and Nation Are Out of Touch

By John Vinocur
International Herald Tribune

PARIS — From about 3:30 to 4:30 P.M. one gray smudge of a day last week, President Jacques Chirac spent an attentive hour looking over shoulders at computer screens in a youth job-placement center in the Paris suburb of Boulogne-Billancourt.

Young men from l'Ecole Polytechnique, the engineering school that is one of France's educational glories, were helping the job-seekers search the electronic want ads, an elite-meets-the street juxtaposition seemingly extracted

whole from a presidential photo-opportunity manual. Television boom microphones quivered, and Mr. Chirac, relaxed and ruddy, pronounced the occasion, as planned, the start of a "crusade" against youth unemployment.

But the event had a disconcerting coda. The president began talking about how it might be a good idea for young people to consider looking for jobs outside France. The French did not go out into the world enough, as the German and Italians did, he went on.

In the manner of a doctor acknowledging that not everyone in the ward would be better by Easter, Mr. Chirac said softly, "We're not going to find the 200,000 new jobs a year we need here for our young people." Within a few minutes, there were farewells and good-luck wishes, and the president was gone.

Honest, human, nice — but inadequate, the polls keep reporting. With more than five years to go in Mr. Chirac's seven-year term, the view seems to have become embedded in French public opinion that he is at best a middling president, a decent man who does not avoid bad news but has given only vague signs of being able to do anything about it. Criticized as a concerned yet ineffectual leader, Mr. Chirac may run the risk at this stage of his term of being

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Klaus Lauds Czech Success: Strong Growth, Plenty of Jobs

By Jonathan Gage and Alan Friedman
International Herald Tribune

DAVOS, Switzerland — For seven years now, there has been no budget deficit in Vaclav Klaus's corner of Europe.

A restructuring of the Czech Republic's economy has kept labor costs low, and — far from bringing strikes, demonstrations and labor unrest — has ushered in strong economic growth.

The only thing keeping the economy from expanding even more rapidly than its recent 5 percent annual rate, in fact, is a lack of workers, Mr. Klaus, the Czech prime minister, said in an interview. Unemployment, he said, stands at a mere 3.2 percent.

"Could this really be Europe in 1997?"

It is indeed Europe, though not the Europe of the rich West, where more than 10 percent of workers cannot find a job as the Continent battles record un-

employment. Rather, it is the Europe of the post-Communist Czech Republic and of Prague's four neighbors in the Central European Free Trade Agreement.

Economic growth in the group's members — which also include Hungary, Poland, Slovakia and Slovenia — could quite likely reach 5 percent this year, economists say.

"There is no economic law that says the faster you go in restructuring, the more unemployment you have," said Mr. Klaus, an economist and former finance minister. "On the contrary, the slower you go, the higher it is."

Mr. Klaus, at a gathering here of political and financial leaders, chastised Western Europe for its slowness in dismantling what he called the "over-regulated and over-paternalistic welfare state."

His bullish attitude on the Czech Republic's drive to create an entrepreneurial market economy was echoed here by other East European officials talking about their own countries.

Yet for all its credentials, the Czech Republic has far from the brightest prospects this year among countries in the region, many economists say. That has-

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Euro: Votes Are In?

Bankers and investors are weighing in on the future of the single European currency before it is launched, as German bankers predicted turmoil in world financial markets if Italy and Spain joined in the first round. The European central bank, meanwhile, is expected to steer a moderate and independent course, and investors are embracing euro-denominated bonds. Business and Finance, Pages 11, 12, 16.

Newstand Prices	
Andorra	10.00 FF
Aruba	12.50 FF
Austria	12.50 FF
Bahamas	1.800 CFA
Belgium	12.50 FF
Belize	10.00 FF
Bolivia	10.00 FF
Brazil	1.100 CFA
Bulgaria	350 Dr.
Canada	2.800 Lira
Chad	1.250 CFA
China	1.250 CFA
Czechia	1.250 CFA
Denmark	1.250 CFA
Egypt	1.250 CFA
France	1.250 CFA
Germany	1.250 CFA
Greece	1.250 CFA
Hungary	1.250 CFA
India	1.250 CFA
Indonesia	1.250 CFA
Italy	1.250 CFA
Jordan	1.250 CFA
Korea	1.250 CFA
Libya	1.250 CFA
Malaysia	1.250 CFA
Mexico	1.250 CFA
Morocco	1.250 CFA
Netherlands	1.250 CFA
Norway	1.250 CFA
Poland	1.250 CFA
Portugal	1.250 CFA
Romania	1.250 CFA
Saudi Arabia	1.250 CFA
Spain	1.250 CFA
Sri Lanka	1.250 CFA
Sudan	1.250 CFA
Switzerland	1.250 CFA
Taiwan	1.250 CFA
Tanzania	1.250 CFA
Togo	1.250 CFA
Tunisia	1.250 CFA
Turkey	1.250 CFA
Ukraine	1.250 CFA
U.S. Mail	1.250 CFA
Uzbekistan	1.250 CFA
Venezuela	1.250 CFA
Yemen	1.250 CFA
Zambia	1.250 CFA
Zimbabwe	1.250 CFA

Lake Lobbies the 'Inside Crowd' for CIA Job

By R. Jeffrey Smith and Walter Pincus
Washington Post Service

WASHINGTON — Several dozen active and retired officers from the CIA's Africa division were surprised at a private luncheon three weeks ago when an unnamed guest appeared at the door: Anthony Lake, President Bill Clinton's pick to be director of central intelligence.

A public official of renowned reserve — not widely regarded as the gate-crashing type — Mr. Lake promptly sat down and began telling them of his eagerness to start work at the agency. He planned, he said, to stay in the job for four years, effectively ending the rapid

turnover that has brought the agency five directors in the past five years.

Mr. Lake's 30-minute sales pitch on various intelligence topics, including what he described as the need to strengthen the agency's Directorate of Operations, was yet another whistle-stop in the administration's carefully orchestrated campaign to transform potential skeptics around Washington into believers that Mr. Lake is the right man for the CIA.

The all-out lobbying effort reflects a well-founded White House anxiety that all of Mr. Clinton's second-term nominees, Mr. Lake faces what could easily be the most grueling and contentious congressional review.

Unlike Madeleine Albright and William Cohen, who sailed through their hearings to take

the top U.S. diplomatic and defense jobs, Mr. Lake is expected to bear the brunt of Republican complaints about the record and direction of Mr. Clinton's national security policy.

This was probably inevitable, given the key role Mr. Lake played in formulating the administration's policy toward Bosnia-Herzegovina — including the decision in 1995 to seal the peace accord and deploy U.S. troops there — and his strong hand in organizing the use of American troops to re-install President Jean-Bertrand Aristide of Haiti in 1994. Both policies attracted sharp Republican criticism.

Senator Richard Shelby, Republican of

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Europe and Japan Are Guaranteeing \$5 Billion in Loans, Tehran Reports

Iran's Central Bank Chief Hails Cooperation From 'Partners,' Citing Failure of U.S. Sanctions

By Alan Friedman
International Herald Tribune

DAVOS, Switzerland — Despite U.S. anti-terrorism sanctions, Iran has managed to obtain offers of more than \$5 billion in government-backed loan guarantees from Europe and Japan over the last 18 months, according to the governor of Tehran's central bank.

Mohsen Nourbakhch, Iran's central bank chief, said in an interview here that Tehran already had used \$2.7 billion of credits, much of these since the middle of last year, to help finance some 50 projects.

The new credits, he said, were being used for projects in the energy, power generation, railroad and other infrastructure sectors.

"Despite all the pressures from U.S. sanctions, we have succeeded in reopening credit lines," he said. "There was some hesitation at first, but no more."

In addition, he said that the export loan guarantee agencies of Germany, Japan, Italy, France, Spain and other countries also had helped Tehran to reschedule a total of about \$22 billion of debts. This has taken pressure off Iran, helping it to sharply reduce its loan repayment obligations in the short term.

"We have faced two major problems," Mr. Nourbakhch said, "and these were the composition of our external debt stock and getting fresh credit lines. We have succeeded in both, and all of this success was in a climate where all factors were against us."

He attributed the success to cooperation from "our European and Japanese partners, who are completely different in their attitude from the United States."

"Finally we are on the right track," Mr. Nourbakhch said. "With all the unemployment here in Europe," he added, "they need to do business with Iran, and we are ready to do business."

Mr. Nourbakhch was especially critical of the U.S. Iran-Libya Act, which was sponsored by Senator Alfonse D'Amato, Republican of New York, and signed into law by President Bill Clinton in August. But he said Tehran was nonetheless working hard to continue its program of economic reforms, to bring down inflation and to attract more foreign investment, especially for projects in the energy sector.

Washington's sanctions, which allow the U.S. to penalize foreign companies that invest more than \$40 million each year in Iran's oil and gas industry, follow long-standing U.S. accusations of Tehran's support for international terrorism. The D'Amato legislation has been criticized in Europe as representing an attempt at extrajudicial U.S. legislation.

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Netanyahu Talks of New Start in Mideast

By Anne Swardson
Washington Post Service

DAVOS, Switzerland — Prime Minister Benjamin Netanyahu of Israel agreed Sunday to make his first official visit to Cairo in the spring and to meet later this week with Yasser Arafat, president of the Palestinian Authority, to discuss the Middle East peace process.

Both developments, agreed to here at the annual meeting of the world's most influential business leaders, were seen as a positive sign for the troubled Middle East region after violence last fall badly eroded Arab-Israeli relations.

The meetings between leaders Sunday produced no progress on another contentious issue — the restarting of

talks between Israel and its Arab neighbors Syria and Lebanon. President Hosni Mubarak of Egypt, who has played a middleman role, said he could not pressure the two Arab states to begin negotiations or even push the Palestinians to cooperate more with Israel.

"When there is violence against the Palestinians," he said, "our people are sympathetic when they see bad treatment of the Palestinians on CNN."

[Mr. Netanyahu said, however, that he was looking for a way to get President Hafez Assad of Syria to resume talks with Israel. The Associated Press reported.

"President Assad has said that peace is more important for Syria than it is for Israel," Mr. Netanyahu said. "I'm sure

he will have the opportunity in the coming weeks to prove that that is the case."

If Mr. Assad wants to resume talks, "we'll find a formula," he said.

In addition, Mr. Netanyahu began a new push for economic cooperation between Israel, on the one hand, and the Palestinian Authority, Egypt and Jordan, on the other. This appeared designed to offset troubles in the peace process by offers of help in reaching prosperity.

"I think this reflects maybe a new attitude and a new beginning," Mr. Netanyahu said after separate meetings Sunday with Mr. Arafat and Mr. Mubarak. He said he hoped that the "economic side of the peace process can be

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China and U.S. Forge Textiles Accord

Compiled by Our Staff From Dispatches

BEIJING — China and the United States reached a trade agreement Sunday that could result in a doubling of American textile exports to China, U.S. officials said.

The successful conclusion of what both sides had described as very difficult talks reflects a surge in goodwill between the two countries after almost two years of tensions.

"I'm very happy," said Foreign Trade Minister Wu Yi of China, adding, "After six days of hard work, the delegations have reached a rather ideal conclusion."

"This is the first negotiation between China and the United States not con-

ducted in the shadow of the threat of sanctions," she said. "I hope future negotiations will all be like this."

Li Dongsheng, a director-general at the Foreign Trade Ministry, said the textile pact would "create a favorable environment" for further development of trade between the two sides.

The lead U.S. negotiator, Ambassador Rita Hayes, said the accord had established a "level playing field" for the textile trade.

"This is probably the most important trade agreement China has with the U.S.," she said. "For the first time ever in textile talks, China and the United States have worked out all of their differences."

"We wouldn't have this agreement if it hadn't been for the mutual understanding and trust that prevailed," the chief textile negotiator for the U.S. Trade Representative's Office continued.

"This is a solid agreement that meets our critical objectives," said the U.S. trade representative-designate, Charlene Barshefsky, in Washington.

Officials for both sides declined to give details of the accord, but Ms. Hayes said it would create jobs in the United States by increasing American exports while slightly raising the U.S. import quota for Chinese goods.

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Australia's Weird Fauna Find Fame Off Beaten Olympic Track

By Clyde H. Farnsworth
New York Times Service

SYDNEY — Two seldom-seen mammals and a bird of the bush that Australians endearingly refer to as the Laughing Jackass, or Jackie, are off to the next Olympics as official mascots.

If the echidna, platypus and kookaburra are less familiar than, say, the kangaroo or koala, that's all right with the Sydney 2000 Olympic Games Organizing Committee.

"Australians very quickly would have found the kangaroo a big yawn," said John Moore, the committee's marketing director, "and a koala is a koala."

The echidna and the platypus are the only two egg-laying mammals in the world. The echidna, or spiny anteater, lives anywhere from the desert to the rainforest. It is covered with quills and catches ants and other insects in the sticky saliva of its tongue.

The platypus, inhabiting the waterways of eastern Australia, has a duck-like bill, webbed feet and flattened tail. It eats aquatic food that it stores in cheek pouches.

The kookaburra, the largest member of the kingfisher family, is known for its loud cackle that has been written into a popular children's song that goes, in part, "Laugh, kookaburra, laugh." It

This is the echidna, also called a spiny anteater. A cartoon version of the echidna, named Millie, will be one of three mascots for the 2000 Summer Games in Sydney.



also kills snakes, nearly all of which are poisonous in Australia.

Unveiled here as cartoon characters, the echidna Millie (short for millennium), the platypus Syd (for Sydney) and the kookaburra Oly (for Olympics) have a mission to raise at least \$150

million through the sale of films, books, T-shirts, socks, beach towels, caps, cups, plates, bibs and pens.

Precisely because they are so obscure, the mascots are intended to get people thinking more about the wonders of this island continent.

"Instead of a quick yawn," Mr. Moore said, "we wanted to create some real interest and curiosity."

But abroad, initial curiosity turned to confusion. The Daily Telegraph of Sydney reported that people on the streets of Los Angeles, having been shown pictures of the three mascots, mistook the platypus for a baby alligator, the echidna for a porcupine and the kookaburra for a chicken.

One marketing specialist, Michael Kiehl, managing director of Boomerang Integrated Marketing & Advertising of Sydney, found the cartoon caricatures

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The Albanian Pyramid / Shattered Dreams

'The Sea Will Dry Up Before I'm Out of Money'

By Celestine Bohlen
New York Times Service

FUSHE-KRUJA, Albania — Life was hard enough for Shpresa Rinxhi before she and her husband scraped together \$500 and put it into one of the most dizzying of Albania's dream machines, a supposed "charity foundation" that was promising a quick 300 percent return on their money.

With their three children, the Rinxhis (pronounced REEN-jee) live in one room in a former workers' hostel, cooking their dinners on a stove in the corridor, sharing a bathroom with eight other families.

On his \$60 a month salary from a state-owned cement plant, and the \$2 a day she earns at their fruit and vegetable stand, the couple saw the promise of a fund called Xhaferri (pronounced jah-FEH-ree) as their only chance for a better life, and so like hundreds of thousands of other Albanians, they chose to believe.

If they had any doubts, they were washed away by the arrival here last November of Rapsud Xhaferri himself, a former army officer who had paraded his wealth by sponsoring a Miss Albania contest and hiring a highly paid Brazilian for his local soccer team.

"He told us, 'Don't be afraid. The water in the sea will dry up before I run out of money,'" recalled Edward Prushi, 32, an unemployed gym teacher who entrusted Mr. Xhaferri with the \$1,000 he had saved during a stint as a construction worker in Greece, only to see it disappear into the sink-hole of a classic pyramid scheme.

Now Albania, the poorest country in Europe, which six years ago emerged from the almost total isolation imposed by a harsh Communist regime, is sorting out the devastating consequences of the latest series of flimflam schemes to hit Eastern Europe in the post-Communist era.

Other countries new to the wilds of free markets — Romania, Russia and Bulgaria, among others — have seen similar schemes preying on peoples' gullibility, ignorance and desperation, leaving them easily dazzled by the novel dream of getting rich.

But the pyramid schemes in Albania — there were at least 10 different ones by some accounts, the largest of which remain nominally in operation — lasted longer than anywhere else, in some cases for two years.

By most estimates, the amount taken in from Albanians by various pyramid schemes was almost \$1 billion, roughly three times the size of the national budget deficit. The investment schemes have touched almost every Albanian family.

The prolonged success of the funds, and their ability in the short term to deliver on the most fantastic of promises, was what led even cautious Albanians to take a risk.

"The only people who did not lose money were those who couldn't put their hands on any," said Mr. Prushi. "There were people who sold their houses, others sold their cows, and some their children don't even have milk."

"We are in a terrible situation," said Mrs. Rinxhi, her eyes filling with tears, reaching for the cigarettes she started smoking again when the crisis began. "It can't be worse."

Today Mr. Xhaferri is in jail, his fund seized by the government, and Maria, the woman who ran the local Xhaferri office, collecting wads of leks — the Albanian currency — from people who spent hours waiting in line, has disappeared. And the people of Fushe-Kruja, a shabby, dusty town of 25,000 people, responded last weekend by joining the rest of the country in street demonstrations that in some places have turned into near-riots.

THROWN on the defensive, the center-right government of President Sali Berisha has promised to restore at least some of the missing money to the people on Nov. 5, to be distributed through savings accounts and options to bid on state property. The government has also lashed out at its already enfeebled opposition and has blamed opponents for fomenting the violence last weekend.

Fushe-Kruja, like many small towns in this nation of 3.5 million, was a relative late-comer to the national craze, which by October of last year had reached frenzied levels. By then, funds like Xhaferri, one of two now frozen by the state, were stepping up efforts to collect more money, opening new offices, promising ever higher rates of return over ever shorter periods of time — all signs that the bubble was about to burst.

But when Mr. Xhaferri came here, nobody really wanted to ask him hard questions, such as how he could promise to triple their money in three months in a country with meager investments and 20 percent unemployment. "We didn't ask anything about him," Mr. Prushi said. "People were getting their money, and that was enough for us."

But the longevity of the schemes is also seen as evidence that the Albanian government tolerated, perhaps even encouraged the funds, despite repeated warnings from inside and outside the country, from the governor of the central bank to the International Monetary Fund.

Mr. Berisha, at a news conference last week, denied any government involvement, and wrote off Albania's early laissez-faire approach as a



For the Kadiu family in Fushe-Kruja, like many others in villages and cities across Albania, the pyramid scheme has cost them their savings.

sign of its commitment to free-market capitalism.

"In a free and democratic society," said the IMF, "borrowing is one of the inalienable rights of human beings. The government will over dictate when to lend, when to borrow."

Whether the government was complicit in the schemes is unclear, but it is certain that Mr. Berisha's center-right Democratic Party — with the endorsements of some of the highest funds — won national elections last May in a vote that observers said was tainted by ballot-rigging and intimidation, and local elections in October.

"Vote Democratic Party and everyone wins," was one slogan that implicitly linked the party with the survival of the investment schemes.

BY OCTOBER, a year after the IMF first registered its concern about Albania's free-wheeling "informal market," the warnings had become increasingly urgent. According to Western financial experts, the IMF, at its annual meeting in Washington, was urging the Albanian government to take immediate action.

Shortly afterward, Finance Minister Ridvan Bode went on the government-run television network to warn people that the government might have to investigate the funds. But his warning was drowned out by assurances — also broadcast on Albania's tightly controlled official networks — by some of the top fund managers that there was nothing to worry about.

As the schemes grew bigger and bigger, their effect on the economy became more and more dangerous. Not only were people investing the little money they had, but many began to live off the interest payments that they continued to get until as recently as November.

The government's paralysis was obvious to all. "You don't stop pyramid schemes and put hungry people on the streets a month before elections," a Western diplomat said.

The first sign of collapse came in November, when a fund run by a 30-year-old former shoe factory worker, a woman widely known as Sude the Gypsy, stopped making payments.

On Nov. 26, the manager of a smaller fund vanished with \$13 million. By mid-January, Sude the Gypsy had declared bankruptcy, triggering the first street demonstrations. On Jan. 26, the state seized the \$255 million held in state banks by Xhaferri and another fund, known as Populli, just two weeks before most families in Fushe-Kruja were due to get their money back, including profits.

But the unanswered question is what will happen next, particularly with some of the larger investment funds, which many believe the government could bail out at some cost to the economy.

"There are other schemes out there that are not solvent, and that is a major concern," said a Western financial expert. "The government faces a very, very difficult problem in trying to minimize the damage."

Cyprus Tells U.S. It Will Delay Arms

WASHINGTON — The president of Cyprus has given the United States a commitment that the Greek warplanes will be deployed to an air base under construction on the island at least through the end of the term: 13 months from now, according to U.S. officials.

President Glavkos Klerides made the promise to a U.S. diplomat, Carey Cavanaugh, when Mr. Cavanaugh visited the island recently on a mission to defuse the latest flare-up of tensions between Greece and Turkey, American officials said.

The unannounced promise not to receive Greek F-16s, coupled with Mr. Klerides' public pledge to wait 16 months before getting any components of the Russian surface-to-air missiles that Cyprus plans to buy, was designed to give U.S. and European diplomats time to seek a solution to the long-stalemated issue of Cyprus's division, U.S. and European sources said.

Sources at the Cypriot Embassy in Washington said they would neither confirm nor dispute the report. Cyprus has been divided along a tense cease-fire line since 1974, when Turkish troops landed in response to a pro-Greek coup. Turkey, which has more than 30,000 troops on Cyprus, controls the northern third of the island and recognizes it as a sovereign country. All other nations recognize the Greek-dominated government.

With Greek-Turkish tensions over Cyprus and other issues threatening to erupt into armed conflict and stymie plans for the expansion of NATO this summer, President Bill Clinton's administration is considering an all-out effort this year to break the Cyprus deadlock.

In her first week as secretary of state, Madeleine Albright said several times that the United States was prepared to take on what she called "a heightened role" in breaking the stalemate, but she has given no indication of how she plans to go about it. That is because she and her aides have not figured out how to proceed, a State Department official said.

"There is a demand and a justification for making the effort," he said. "The international community needs a resolution of this issue, so the question is not whether we should, but how. We face the unwillingness of key parties to make any kind of compromise to reduce tension."

TRAVEL UPDATE

Eurostar Journey Times Shortened

LONDON (AFP) — A number of Eurostar train journey times, which were extended because of a fire in the Channel Tunnel in November, returned to normal Sunday, a spokesman for Eurostar said.

Two Paris-London services are restored to the usual three-hour time, having been making the trip in about three and a half hours since the fire. Six other trains from Paris will now take three hours and 10 minutes or less to make the journey to Waterloo station.

Eurostar also said that two weekday Brussels-London trains would be running faster. But the spokesman said it had not yet been possible to speed up trains from London to Paris.

U.S. Warns Against Algeria Travel

WASHINGTON (AP) — The State Department warned Americans against going to Algeria and urged those who insist on staying there to hire armed bodyguards and avoid travel on regularly scheduled commercial transport.

In a travel advisory issued Friday, the department said the U.S. Embassy in Algiers "specifically identifies ports and airline terminals as terrorist targets."

Italian rail workers have postponed two one-day strikes to conform with notice requirements under Italian law. The strikes will take place Feb. 11 and 19. (AFP)

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Mozambique.
TUESDAY: Angola, China, Sri Lanka.
WEDNESDAY: Burundi, China, Mexico, San Marino, Taiwan.
THURSDAY: China, Hong Kong, Macau, Malaysia, New Zealand, Switzerland, Taiwan.
FRIDAY: China, Grenada, Hong Kong, South Korea, Macau, Malaysia, Mauritius, Mongolia, Singapore, Taiwan.
SATURDAY: Bhutan, Brunei, China, Hong Kong, Iraq, Korea, Macau, Mongolia, Singapore, Slovenia, Taiwan.
Sources: J.P. Morgan, Reuters, Bloomberg.

Rising Algeria Violence May Force West to Take Notice

By Roger Cohen
New York Times Service

PARIS — January was the cruelest month in Algeria.

It was cruel in its violence, including a car-bombing that killed 42 people in central Algiers; cruel in the cynicism of the assassination of Abdelhak Benhamouda, an influential union leader who had wanted to forge a new political party; and cruel above all for the promise of yet more killing in a ranting speech by the president in which he blamed foreign plots for all of Algeria's woes and vowed to "eradicate" the terrorists.

The Algerian civil war, which pits a ruthless military-backed government against often barbaric Islamic guerrillas, is five years old. It has become part of the background ooze of world affairs, rumbling on like Kurdish clashes but rarely registering on the world's consciousness — that is, its television screens.

The conflict began when an election that was on the verge of bringing political Islam to power was canceled by the military in January 1992; it has rendered Algerian democracy — and hopes that a stable political center could form — stillborn.

Hocine Ait Ahmed, an opposition leader, recently spoke of a "Berlin

Wall" to evoke the way the Algerian dreams of the 1980s for democracy have languished amid general indifference.

That wall has been composed of many elements: the secrecy of Algeria's rulers, known simply as *le Pouvoir* or the Power; the intractability of a murky conflict; Western

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diplomatic inertia in a country where the choices appear particularly delicate; and Algeria's oil and natural gas, which have kept flowing to U.S. and European companies.

But as the recent violence suggests, the Algerian problem is festering to the point where it may prove more difficult to ignore. Its threat is clear: spreading Islamic militancy, a spillover of terrorism, a flood of refugees and the disruption of those oil and gas supplies.

If this is a moment of crisis, however, it may also be a moment when the West, whose options seem otherwise limited, could put some pressure on Algeria's leaders to restore a hope of democracy.

In the next few months, the country is supposed to hold its first parliamentary elections since the cancellation of the 1992 poll that the Islamic Salvation Front was poised to win. The Front had brandished such slogans as "Islam is the solu-

tion" to protest the corruption and economic mismanagement of Algeria's military-dominated regime. When the election was canceled, the party split into armed factions pursuing insurrection and a more moderate wing.

How — and indeed whether — the new elections are held will test Algeria's readiness to encourage a democratic solution there.

Breaking a log and increasingly eerie silence, French politicians of the left and right recently called for France to do something about its former possession.

Lionel Jospin, the Socialist leader, said France could no longer provide "blind support" to President Liamine Zeraoui's government, and former President Valéry Giscard d'Estaing of France said the Islamic Salvation Front, now banned, should be allowed to take part in the election.

The United States has maintained a determinedly low profile on Algeria since the war began.

But tension between Washington and Paris over Algeria has been easing. French feelings that President Bill Clinton's administration had been too conciliatory toward the Islamic Salvation Front have changed since the arrest last year in the United States of Anwar Haddam, a prominent member of the Front.

A joint French-U.S. initiative thus is technically possible, combining French economic leverage over Mr. Zeraoui — France grants more than \$1 billion annually to Algeria in subsidized loans — with the Clinton administration's greater access to the Islamic Salvation Front.

Opening the way for meaningful elections might entail a call on Mr. Zeraoui to approach all parties, including the Front, to hammer out certain principles: the rejection of violence, respect for human rights, the elimination of torture, a commitment to the alternation of power through universal suffrage, a free press and respect for Algeria's Arab and Berber culture.

Aid from the European Union, debt relief, World Bank loans and the like could all be used as carrots and sticks.

But huge difficulties remain, all of them illustrated by the events of the last month. Mr. Zeraoui's speech Jan. 24 — in which he raged against "criminals, traitors and mercenaries manipulated by external circles" — was a textbook study in the closed mentality of Algeria's rulers.

In the speech, Mr. Zeraoui ominously neglected to set a date for the new elections.

The murder last week of Abdelhak Benhamouda, 55, was equally ominous. A prominent union leader

and a determined opponent of Islamic fundamentalism, Mr. Benhamouda had been preparing to form a centrist political party.

His last words to a friend, as reported in Algiers, were, "Kamel, my friend, they have betrayed us." One problem in Algeria is always to know who is killing whom.

These words — and the efficiency of his killing in central Algiers — were widely seen as suggesting that the murder had been the work of rival clans within le Pouvoir, rather than of Islamic guerrillas.

Finally, the barbarity of the car-bombings, throat-slittings and other killings that have swept Algiers and towns nearby since the Muslim holy month of Ramadan last Jan. 10 have illustrated, once again, the methods of the violent factions that have splintered from the Islamic Salvation Front.

It is unclear to what extent the Front itself — its leaders dead, arrested or abroad — is still a coherent political force.

Still, the frustrated, largely silenced democratic yearnings of a broad Algerian center that demonstrated in the streets in the late 1980s exist and could be buttressed by Western diplomacy.

Even today, it appears, as Mr. Jospin said, that "Democracy, in the end, is the only road to peace."

31 Villagers Are Massacred In New Attack, Paper Says

The Associated Press

ALGIERS — A band of men armed with knives and axes killed 31 people in the town of Medea, south of the capital, the newspaper El Watan reported Sunday.

About 50 men led the attack just after midnight: Friday, invading a neighborhood in Medea and forcing residents into the street where they were killed, the paper quoted residents as saying.

"You have to do something," El Watan quoted a resident who contacted the

paper as saying. "More than 30 people had their throats slit. Soon they're going to exterminate the entire town."

The French-language daily said that 31 bodies were taken to the morgue at Medea Hospital.

The paper's account was not confirmed by Algerian officials. If true, it would be the latest in a wave of car bombings and massacres that intensified with the start of the Muslim holy month of Ramadan on Jan. 10.

About 310 people are known to have been killed in attacks since the start of Ramadan, and 600 have been wounded. There was no immediate claim of responsibility for the massacre, but suspicion fell on Muslim fundamentalist rebels fighting the regime.

Medea is 25 kilometers (15 miles) south of Blida, a town that has been a center for violence attributed to Muslim insurgents.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America A storm will deliver snow and rain to Chicago and Detroit Tuesday into early Wednesday, and to New York City and Boston Wednesday into early Thursday. That same storm could bring heavy snow to Toronto Wednesday. Storms as well. Partly sunny in Tokyo Tuesday, then it might rain late Wednesday into early Thursday. Chance of snow in Seoul Thursday.

Europe Mild in London Tuesday through Thursday, but rain from time to time. Typ- ically warm and humid in Singapore through Thursday. Partly sunny in Rome Tuesday, then mostly cloudy Wednesday and Thursday.

Asia Cool in Hong Kong Tuesday through Thursday with rain from time to time. Typ- ically warm and humid in Singapore through Thursday. Partly sunny in Tokyo Tuesday, then it might rain late Wednesday into early Thursday. Chance of snow in Seoul Thursday.

South America Partly cloudy in Rio de Janeiro Tuesday through Thursday. Partly cloudy in Sao Paulo Tuesday through Thursday. Partly cloudy in Lima Tuesday through Thursday. Partly cloudy in Bogota Tuesday through Thursday. Partly cloudy in Caracas Tuesday through Thursday. Partly cloudy in Havana Tuesday through Thursday. Partly cloudy in Santiago Tuesday through Thursday. Partly cloudy in Montevideo Tuesday through Thursday. Partly cloudy in Asuncion Tuesday through Thursday. Partly cloudy in Quito Tuesday through Thursday. Partly cloudy in Lima Tuesday through Thursday. Partly cloudy in Bogota Tuesday through Thursday. Partly cloudy in Caracas Tuesday through Thursday. Partly cloudy in Havana Tuesday through Thursday. Partly cloudy in Santiago Tuesday through Thursday. Partly cloudy in Montevideo Tuesday through Thursday. Partly cloudy in Asuncion Tuesday through Thursday. Partly cloudy in Quito Tuesday through Thursday. Partly cloudy in Lima Tuesday through Thursday. 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THE AMERICAS

Fines From Convictions Bring Solace to Crime Victims

By Sharon Walsh
Washington Post Service

WASHINGTON — In Oklahoma City, the survivors and 1,200 family members of the victims of the bombing of the Alfred P. Murrah Federal Building are kept posted on the progress of the criminal case and provided with counseling.

In Alexandria, Virginia, a 23-year-old deaf woman is accompanied by an interpreter for her interviews with prosecutors after she was abducted by a man.

In California, a man whose son was murdered by a gang member and the grandfather of the killer joined together to teach school children about the dangers of gangs and to help victims of gang crimes.

What makes these activities remarkable is the way they are financed. The money comes from individuals and huge corporations convicted of federal crimes — not from taxpayers.

When the U.S. office of Daiwa Bank, a Japanese financial giant, paid a \$340 million criminal fine for failing to tell banking regulators about major bond-trading losses, the

money went to the U.S. Treasury and was deposited into the Crime Victims Fund, which was authorized by the Victims of Crime Act of 1984.

The fund is overseen by Aileen Adams of the Justice Department, who doles out the money to states. State officials are responsible for finding victims and easing their pain with financial help — about 2 million people benefit from the fund each year, Ms. Adams said.

The fund has grown by 250 percent over the past four years, reaching its highest level in 1996, \$528.9 million, which will be distributed this year. That amount does not include two recent penalties for criminal price-fixing that will enrich the fund this year — a \$100 million fine paid by Archer Daniels Midland, an agricultural firm, and a \$50 million fine to be paid by Haarmann & Reimer, a citric-acid maker.

In addition to fines for corporate crimes, the fund receives money from penalties and bond forfeitures from individuals who are convicted of federal crimes.

Thanks to Daiwa, "we'll get three times as much money this year" as last year, said Virginia

Coscia, the victim-witness program coordinator in Alexandria. "If big companies keep paying these huge fines, we won't have to worry about our funding."

Ms. Coscia said she had just returned from federal court in Alexandria, where she accompanied the 23-year-old deaf woman to the trial of her accused abductor. He was convicted of "abduction with intent to defile" and could now be sentenced to 20 years to life imprisonment. If the young woman had required medical treatment or counseling or if she could not work because of injuries from the crime, the fund also could pay those costs.

The fund is administered by the Justice Department's Office for Victims of Crime. Under the Anti-Terrorism Act of 1996, the fund also provides money to help victims of mass crimes and terrorism, such as the Oklahoma City bombing.

"I think I have the best job in all of government," said Ms. Adams, director of the Office for Victims of Crime and once a legal counsel to the Los Angeles County Rape Treatment Center. Though states hand out the money, she and her employees visit

sites, coordinate with state directors and help set priorities for the money.

This year, because outlays by the fund will be so much larger than in the past, mostly because of the Daiwa fine, Ms. Adams has met often with state officials. The priorities set by the Clinton administration are to provide money to people in rural areas where there are few services for crime victims, to American Indians and to victims of gang violence.

The fund serves about 2 million crime victims a year, but there are still millions who don't receive help because there are no services where they are," Ms. Adams said.

In San Diego recently, Ms. Adams introduced Attorney General Janet Reno to two men who have applied for a grant from the fund. Axim Khamisa's young son was murdered two years ago while delivering a pizza. Ples Felix is the grandfather of the 14-year-old gang member who was convicted of killing the boy.

"They feel they're victims of a crime from different sides of the gun," Ms. Adams said.

The two formed a gang prevention program and have applied for a grant

for the portion of their work that deals with victims of gang violence.

Once funds from the office reach the state level, they are split between two programs. One, victim compensation, is to pay individual victims of crime or their families for unreimbursed medical expenses, lost wages or funeral expenses.

The second program, called victim assistance, helps people through grants to domestic violence shelters, rape crisis centers, child abuse programs and other community programs. The project receives by far the bulk of the funds from the states.

Although it has been nearly two years since the Oklahoma City bombing, programs for its victims and survivors will receive more than \$600,000 from the fund this year.

Much of the money will be used to help those who wish to attend the trial of Timothy McVeigh, scheduled to begin March 31. Mr. McVeigh is charged with carrying out the bombing, which left 168 dead.

"It's been very moving to interact with the victims of Oklahoma City and see how important it is for them to attend the trial," Ms. Adams said.

What Makes a Sweatshop?

Standards Panel Is Split on Wage and Hour Guidelines

By Steven Greenhouse
New York Times Service

NEW YORK — In a groundbreaking effort to set minimum standards at apparel factories both inside and outside the United States, a presidential task force that includes representatives of labor unions, human-rights groups and industry powerhouses such as Liz Claiborne, L.L. Bean and Nike has agreed on child-labor and anti-harassment practices but remains badly split over wages and hours.

The task force hopes that if it can agree on voluntary standards, the measures will then be embraced by the U.S. apparel industry. Its members also hope for public expressions of support from President Bill Clinton, to whom it hopes to send its report by late this month.

But the panel is by no means united on what the standards should be.

The apparel companies in the task force, which want standards to dispel any notion that they themselves use sweatshops, say factories, whether in New York or New Delhi, should not be considered sweatshops if they pay the local minimum or prevailing wage.

The unions and rights groups, on the other hand, maintain that such a wage is often too meager to support a family. They say factories should be considered sweatshops unless they pay wages high enough to meet basic needs.

The members of the task force have pledged to keep their deliberations confidential. But several participants disclosed in interviews that in addition to the pay dispute, there was a split over hours.

The unions and rights groups contend that factories should generally be considered sweatshops if employees are required to work more than 48 hours a week. The apparel

companies say factories should be free to require a 60-hour week.

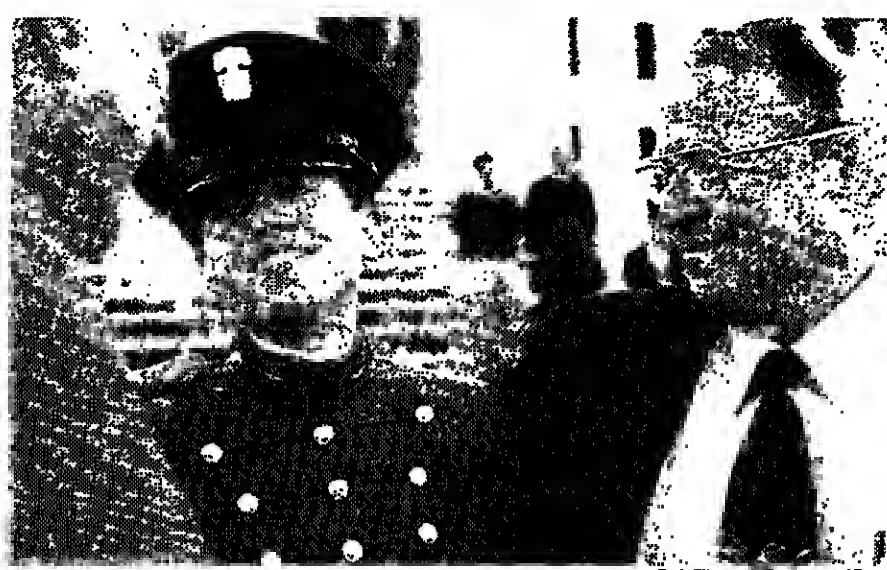
Any standards adopted would presumably have great potential to influence factory conditions in Haiti, Honduras, Indonesia, Sri Lanka and dozens of other countries on which U.S. clothing and footwear makers rely for production. The task force is leaning toward setting up a monitoring organization to ensure compliance at factories that are under contract to companies that adopt the standards.

Although the panel hopes all major American apparel companies will adopt the standards, some members fear that if those standards are too strict, many companies will not sign on. "It's not going to be helpful just to keep these standards to a small number of participants," said Roberta Karp, a co-chairman of the panel, who is general counsel of Liz Claiborne Inc.

Despite their differences on some issues, business, labor and human-rights participants have been able to reach agreement on others. On child labor, for example, the task force has agreed that factories should generally not use workers under the age of 15, although in some countries they would be allowed to employ 14-year-olds.

Further, for an industry where workers often complain of being hit, groped or shouted at, the group has adopted anti-harassment standards. The participants have agreed that "every employee shall be treated with respect and dignity" and that "no employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse."

The task force, called the White House Apparel Industry Partnership, was created in August.



STORMING THE CITADEL — Nance Mace, a freshman cadet at The Citadel, with her father, a retired brigadier general who is an alumnus, after she won the gold star for academic achievement. The Citadel, a military school in Charleston, South Carolina, long resisted accepting women.

AMERICAN TOPICS

New York's 'Secret Subway': As Ephemeral as a Puff of Air

It seemed so logical: If capsules carrying mail or receipts could be propelled at high speeds through tubes from one post office to another, or within a department store, why not build bigger capsules and use huge fans to transport people through tunnels?

Alfred Ely Beach, part-owner of the journal *Scientific American*, was so convinced of the good sense of the idea that in the late 1860s, as *Invention & Technology* magazine recalls, he hatched an elaborate plot to build a "secret subway" under New York City.

It had to be secret because Boss William Tweed, the vastly powerful New York politician, backed competing plans for an elevated railroad, a project he hoped to invest in; he repeatedly stymied Beach's proposals.

Cagily, Beach managed to get the state legislature to approve his plans to build an underground mail-dispatch line of two tubes, each too small for a railroad car; then he slipped through an amendment for one large tube instead of two. With investors backing him, Beach rented a store across from City Hall, and began digging in the basement, smuggling bags of earth out at night.

In February 1870, he revealed his work. Visitors descended to a handsomely furnished waiting room, complete with grand piano, passed twin statues of Mercury, symbolizing the speed of the wind, then were ushered into a comfortably furnished tubular car for a 100-yard ride, propelled by air from a 50-foot fan.

Passengers were enthralled. But when Beach sought permission to extend the line, an angry Tweed blocked him and eventually the plan died. In 1912, workers building the New York subway came upon the tunnel. Unmarked, it is now the nucleus of the transit station at City Hall.

Short Takes

The number of young children regularly playing sports has rapidly risen, and so, apparently, has the number turning to chiropractors for help with twisted ankles, strained backs or weak muscles, reports *The Chicago Tribune*. The percentage of children aged 6 to 11 who play sports is now 48 percent, up 10 percent from 1987. No numbers are available for children seeing chiropractors, but their increased presence in waiting rooms is unmistakable, the paper says. Kathryn Putts, a specialist in pediatric chiropractic, said that many children have standing appointments through the soccer season. Tom Fischetti, athletic director at a high school in Chicago, said, "Some of the kids think it's cool to get their backs cracked." Many older Americans remain skeptical of chiropractic care, but acceptance has grown among younger people. In 1992, the American Medical Association said for the first time that it was "ethical" for a physician to refer a patient to a chiropractor.

It's an odd phenomenon, spotted around the country: Old tennis shoes are tied together and flung over telephone lines, where they sometimes dangle for years. Mike Clary, writing for the *Los Angeles Times*, asked cultural anthropologists about the strange practice. One suggested it was a school-leaving ritual, another that it was done for the physical challenge, yet another that the sneakers went up to mark a sexual conquest. But no one has ever seen the shoes being tossed, so no one is sure. Perhaps, suggested one folklorist, it's aliens.

International Herald Tribune

POLITICAL NOTES

White House Didn't Vet Donors

WASHINGTON — The White House has acknowledged that it had never reviewed the backgrounds of any of the hundreds of visitors who saw President Bill Clinton in scores of intimate White House meetings arranged by the Democratic National Committee.

In place of background checks, which are routinely done on other guests to the White House, an administration official said that it had simply taken the guests on lists proposed by the Democratic committee and put them on Mr. Clinton's schedule. The committee never performed any review of the people coming to see Mr. Clinton, merely supplying the Social Security numbers and birth dates of the guests to the White House. That information was used by the Secret Service guards only to verify that the guest at the executive mansion's gate was the same as the guest on the list.

The acknowledgment by the White House that the background checks were not done came Saturday after a news report that a felon with possible ties to organized crime had attended a Democratic office at the White House in December 1995, a few months after his second conviction. The felon joins a list of other questionable figures who were guests at the White House in meetings that were often part of an effort to reward donors.

"No vetting was ever done for these events, other than asking for Social Security numbers or dates of birth in order," said Lanny Davis, a White House special counsel. Such information is usually used by the Secret Service to search records to see if a visitor poses a security risk. But for reasons that are not known, no such checks were done on these guests. (NYT)

Welfare Rolls Keep Shrinking

WASHINGTON — The steep decline in welfare caseloads that began nearly three years ago has accelerated in recent months, offering states a larger-than-expected financial windfall and a head start in carrying out the newly restrictive U.S. welfare law.

The unprecedented exodus from the rolls follows a period of similarly explosive growth. After reaching a record high in March 1994, caseloads have dropped 18 percent nationwide, and they have dropped in every state but Hawaii.

The declines have reached some of the nation's largest cities, where concentrations of poor and single-parent families have historically made the rolls hard to reduce.

In the past year alone, the number of people on welfare has dropped 19 percent in Milwaukee, 17 percent in Houston, 11 percent in Detroit and 9 percent in New York City.

Much of the decline seems driven by the economic expansion. But some of it also seems to stem from the aggressive efforts many states have made in the past few years to place welfare recipients in jobs. (NYT)

Quote/Unquote

Mario Cuomo, former governor of New York, on Bill Clinton's State of the Union Message on Tuesday: "I would like to see President Clinton, sometime before he's through these four years, demonstrate all his gifts to the maximum. That would require him to throw off any inhibition about saying too much or inhibition about getting into political trouble. I'd love to hear him announcing, 'I'll never run again for public office. I'll never have another chance to tell you what I really believe.'" (NYT)

Away From Politics

Police evacuated a neighborhood in Chula Vista, California, around the home of a federal employee who got a pipe bomb in the mail Saturday, the third such device found in the San Diego area in as many days. The bomb did not go off when the man opened the package. (AP)

A 5-year-old girl was suspended from kindergarten for a day in Ocala, Florida, for bringing a nail file to school, violating a zero-tolerance policy on items resembling weapons. The policy was developed by parents, teachers, community representatives and administrators amid concerns over items such as pocketknives and toys being brought to school. (AP)

The reporting team of Donald Barlett and James Steele, winners of two Pulitzer Prizes, will leave The Philadelphia Inquirer for Time Inc. Mr. Barlett and Mr. Steele, who have worked as an investigative team at the

Inquirer for 25 years, probably will focus on writing for Time, but their articles also might appear in other magazines owned by the company. (AP)

Federal authorities will begin mailing notices Monday to a million elderly and disabled legal immigrants who now receive Supplemental Security Income, informing them their monthly benefit checks will be terminated this summer if they have not attained U.S. citizenship or do not otherwise qualify under special exemptions. The four-page letters, accompanied by a fact sheet on how to apply for citizenship, formally kick off the notification process for one of the new welfare overhaul's most controversial mandates: the removal by congressional action of hundreds of thousands of legal immigrants from the SSI rolls. (LAT)

New York City police officers shot and killed a woman who drew a gun that turned out to be a toy. Launi Leimer, 26, of West Islip, New York, was shot once in the chest after police chased

her car through the streets of upper Manhattan's Washington Heights, a police spokeswoman said. Officers pursued Ms. Leimer's car in response to a call reporting that shots had been fired and that Ms. Leimer had a gun. (NYT)

Charges against a Santa Claus accused of slapping a 7-year-old Cub Scout who tugged on his costume beard will not be settled by a criminal trial in New Hampshire. The decision by the Rockingham County attorney, Bill Hart, effectively ends the assault case against Roy Keiser, 65, who was arrested shortly before Christmas. The incident occurred at a Cub Scout Christmas party where several Cub Scouts accused Santa of being a fake. The scout leader said one of the boys ripped off Mr. Keiser's beard, taking some skin with it. (AP)

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ASIA/PACIFIC

Bhutto Disputes Graft Allegations

Campaigning on Enemy Turf, She Defends Her Record

By Kenneth J. Cooper
Washington Post Service

LAHORE, Pakistan — Benazir Bhutto has always been a fighter, and on the last day of campaigning before national elections Monday she took her latest political fight to the home territory of her main rivals.

Lahore, Pakistan's second largest city and capital of Punjab Province, is home to Nawaz Sharif, also a former prime minister and the campaign's front-runner. The city of 6 million is also the hometown of Imran Khan, the former cricket star who leads a new political party taking part in the vote.

Miss Bhutto attracted a crowd of a few thousand, small by South Asian standards, to a rally Saturday and delivered a stump speech with little of her usual rhetorical fire. She accused her enemies of unpatriotic plots and defended her record as prime minister but did not say what she would do if returned to power.

She had more to say about two major reasons for her increasing unpopularity during the past year and for President Farooq Leghari's dismissal Nov. 5 of her Pakistan People's Party government — alleged corruption and economic mismanagement. Once again, she disputed the corruption charges and maintained that the economy had improved during her three years in office.

Many Pakistanis argue that the one-time crusader for democracy — she restored free elections in 1988, when she won her first term as prime minister — allowed her husband, the jailed Asif Ali Zardari, to violate the public trust during her second term, which ran from 1993 to her dismissal.

Mr. Leghari has estimated that corruption siphoned off \$1.5 billion in those three years. Shahid Javed Burki, a World Bank executive on unpaid leave

as a financial adviser to the interim government, has put losses to corruption and waste at 10 percent to 20 percent of Pakistan's annual economic output.

Initially, the interim government vowed to bring corruption charges against suspected wrongdoers in recent governments, as Mr. Sharif too had been dismissed as prime minister amid allegations of graft. But such a rapid, sweeping dragnet appeared unlikely to occur in the scant three months before the election, and interim leaders later

'All the arrests are only of people from the People's Party. Now, they are admitting that there's no evidence of corruption.'

appeared to have concluded it would be unwise to disqualify the leading contenders for prime minister, Miss Bhutto and Mr. Sharif.

Government investigators have gathered evidence against former officials, including Mr. Zardari and other members of Miss Bhutto's government who have been detained, but they have not filed any corruption cases.

Miss Bhutto described the lack of prosecutions as an exoneration of her government.

"All the arrests are only of people from the People's Party," she said. "Now, they are admitting that there's no evidence of corruption."

Miss Bhutto also frequently coupled Mr. Sharif and Mohammed Zia ul-Haq, Pakistan's last military dictator. Mr. Sharif emerged as a political leader after General Zia picked him to be the Punjab's chief minister.

In street interviews Saturday even in

Larkana, the largest town near Miss Bhutto's ancestral village in Sind Province, her declining popularity was evident and linked to the form of corruption that most directly affects ordinary Pakistanis: the exchange of government jobs for political patronage. The interim government dismissed 40,000 workers who had not been hired on merit.

"If you have money, you can get a government job; if you are poor, you can't get a suitable job," said Qamar Hussain, a barber and former Bhutto supporter. "She didn't give anything to poor people. She gave jobs to her party workers."

Pakistan votes Monday for the fourth time in eight years. There are about 7,000 candidates vying for offices in the elections, which for the first time combine provincial and federal voting as a cost-saving move.

The main vote will be for a 217-seat National Assembly, the lower house of the Federal Legislature.

Unemployment and inflation have been major issues in the campaign. Other economic problems helped precipitate Miss Bhutto's dismissal, including a shortage of foreign currency reserves and an uncontrolled budget deficit. Mr. Leghari omitted formal mention of economic mismanagement in his order dismissing her government, apparently to avoid further economic harm to the country.

In her defense, Miss Bhutto said she had revived a "perished and finished" economy inherited from Mr. Sharif. Her economic record is, in fact, mixed.

Foreign currency reserves were \$2.4 billion early last year but dropped to \$600 million by November. Still, that amount, according to her party manifesto, was twice as great as what Mr. Sharif left behind at the end of his government.

BRIEFLY

Anti-Taleban Militias Reinforce

GHORBAND VALLEY, Afghanistan — A Shiite Muslim militia sent reinforcements Sunday to block fresh advances by the Taleban fundamentalist Islamic movement, travelers said.

They said Karim Khalili, leader of the Shiite Hezb-i-Wahdat faction, was trying to prevent the Taleban from moving toward Bamian, a Shiite stronghold in central Afghanistan.

The Taleban have been advancing through the strategic Ghorband Valley in the past few days in their latest offensive against an opposition alliance that includes Hezb-i-Wahdat.

The valley leads west from Jabal os-Siraj, 70 kilometers (44 miles) north of Kabul, toward Bamian, whose capture would allow the Taleban to open a new front against the alliance. (Reuters)

Sri Lanka Rebels Attack Camps

COLOMBO — At least 30 people were killed in separate clashes between Tamil Tiger rebels and government forces in Sri Lanka's north and east over the weekend, military officials said Sunday.

A large group of Liberation Tigers of Tamil Eelam rebels overran a military camp in Batticaloa district, 200 kilometers (125 miles) from Colombo, just after midnight Saturday, killing 13 soldiers, including a lieutenant, they said.

At the same time, three civilians in the area were killed by a rebel mortar while a soldier was killed and three wounded in a rebel attack on nearby Sittandi army camp around the same time, military officials said. (Reuters)

Clerics Condemn Indonesia Riots

JAKARTA — Indonesian Catholic bishops on Sunday blamed "moral decay in almost all aspects of life" for the recent riots in the mainly Muslim country.

"The law is disregarded, people's basic rights are not respected," the Indonesian Bishops' Conference said.

On Thursday, rioters set fire to a church and a Chinese Buddhist temple, wrecked four other churches and looted shops and homes in Rengasdengklok, 50 kilometers (30 miles) east of Jakarta, over reports that an ethnic Chinese woman had insulted Muslims.

In December, four people were killed during riots in the town of Tasikmalaya. (Reuters)

For the Record

Bars and clubs featuring nude dancers must close



HOLIDAY — A boy from a rebel group of the Karen ethnic minority watching a parade in Burma.

because they are a threat to Cambodian culture, Phnom Penh city officials announced Sunday. Soccer and video parlors in the vicinity of schools will also be closed. (AP)

The mayor of Taipei said the city would impose a curfew on teenagers under 18 beginning at midnight Sunday. He warned proprietors of movie theaters, karaoke bars, coffee shops, night clubs, bowling alleys and other facilities their business licenses would be revoked if they served minors after the curfew. (AP)

Chinese Approve Cutbacks In Hong Kong Civil Liberties

By Keith B. Richburg
Washington Post Service

HONG KONG — A caucus of top Chinese officials and their handpicked Hong Kong advisers, meeting behind closed doors in Beijing, have approved plans to scale back some civil-liberty laws and protections in Hong Kong after China takes charge in five months.

The 150-member Preparatory Committee, the Chinese body overseeing the handover of this British colony, voted overwhelmingly Saturday to endorse the rollback of Hong Kong's civil liberties.

The one dissenter was Frederick Fung, a local politician who defied Beijing last year by voting against a plan to abolish the Hong Kong legislature and replace it with an appointed one. Ten other members abstained.

The action, while expected, dashed a hope held by many that the full Preparatory Committee might respond to local and international criticism by backtracking on Beijing's plans to curtail the freedoms.

The plans include changing the bill of rights, restoring police power to ban protests and restricting foreign funding of local groups. China has said the modifications are needed because the laws in question contradict the territory's Basic Law, which is the document negotiated between Britain and China that will serve as the constitution for the territory after China assumes control on July 1. But Chinese officials have yet to spell out how the laws being scrapped contradict the Basic Law.

China's legal reasoning has drawn skepticism from some of Beijing's normal supporters in Hong Kong. "I could not find anything that con-

tradicts the Basic Law," said Allen Lee, chairman of the pro-business Liberal Party.

Chris Patten, Hong Kong's British governor, kept up his drumbeat of criticism, calling the vote in Beijing "very disturbing."

"What we are still not told is why it is necessary to ban restrictions on Hong Kong's civil liberties," Mr. Patten said in a statement. "Once again, we have the impression of legal arguments hastily thrown together, policies made up as we go along."

The dispute over civil-liberty laws, and China's move to set up a rival shadow legislature that will replace Hong Kong's current democratic one, have put Britain and China at loggerheads.

The two countries also have been wrangling in recent days over another issue: Beijing's request to deploy a large contingent of troops here well before the transfer of sovereignty.

Two days of talks on the issue late last month broke down after China insisted on sending "hundreds" of troops here in March to begin preparing for their duties. British officials said only a few Chinese soldiers involved in technical duties would be allowed to come early, and even then no sooner than May or early June.

A British official familiar with the talks said London agreed long ago on the need for an advance Chinese military presence, and British garrison officers already have held a number of get-acquainted talks with their Chinese counterparts. But he added, "Our position is that they will not be setting up a separate garrison on what is still British territory."

The latest wrangling, particularly the threat to Hong Kong's civil liberties, is being watched warily by Taiwan as a harbinger of how China eventually intends to pursue unification talks with Taipei.

Immediately at stake is some \$20 billion that Taiwan invests in China, using Hong Kong as a conduit. Taiwan also keeps a formidable commercial presence here that is in question once this colony reverts to Chinese control.

China Accuses U.S.

China accused the United States on Saturday of using concerns over human rights as a pretext to interfere in Chinese affairs. The Associated Press reported from Beijing.

A Foreign Ministry statement, carried by Xinhua news agency, was intended to counter the grim assessment of China's human rights record given in a U.S. State Department report released Thursday.

The State Department said the Chinese Communist Party had virtually wiped out public expressions of dissent by jailing, intimidating and forcing into exile all vocal critics.



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EUROPE

Chirac-Yeltsin Talks Focus on NATO

Agence France-Presse
MOSCOW — The North Atlantic Treaty Organization and Russia may reach an accord before NATO's key July summit meeting, President Jacques Chirac of France said Sunday after more than three hours of talks with President Boris Yeltsin, whom he found to be alert and in good form.

Mr. Chirac told reporters just before heading back to Paris that an accord with Russia on NATO enlargement "may come even before the Madrid summit," where the alliance is expected to name the former Soviet bloc countries it will invite to join.

Mr. Chirac was the first foreign leader to meet with Mr. Yeltsin since the Russian president was hospitalized with double pneumonia on Jan. 8. They met at Novo Ogarevo, a state residence just west of Moscow.

The French president said he had "rediscovered" the Boris Yeltsin he knew before, and had been "very impressed with the speed of his recovery."

"I found him to be very clear on all world problems, and he energetically defended Russia's interests," Mr. Chirac said.

Mr. Yeltsin, who turned 66 on Saturday, has been largely absent from the public eye for the last seven months. Only a few brief television clips of him have been shown since his latest hospital stay.

He underwent a quintuple heart bypass operation in November, and recently canceled two international engagements, including a European Union summit meeting in the Netherlands.

The Kremlin spokesman, Sergei Yastrzhembsky, said that Mr. Yeltsin had reiterated Russia's opposition to NATO expansion during the talks with Mr. Chirac, who said that France understood Moscow's concerns.

The formal talks at Novo Ogarevo lasted one hour and 15 minutes, but the two leaders continued their discussions at a working dinner. Afterwards, the spokesman said, Mr. Yeltsin felt that "in many areas the position of Russia and France coincides, especially concerning European problems."

Mr. Chirac told reporters he felt that the dispute between NATO and Russia over the alliance's plan to take in new members was "taking place within a context allowing it to be resolved."

Poland, the Czech Republic and Hungary are seen as the leading candidates to join NATO, but alliance officials caution that the enlargement process will take place in phases over several years.

NATO is currently trying to work out the terms of a charter with Russia that hopes will allay some of Moscow's fears and usher in a new era of post-Cold War cooperation. But the alliance has distanced itself from Moscow's call for a

legally binding document, and has ruled out a Russian veto over its decisions.

Mr. Chirac said that Mr. Yeltsin wanted a NATO-Russia accord to be legally binding, and not just a declaration of principles.

"On that score, France said it was not adopting a position," Mr. Chirac said, adding, "Between a political statement and a legally binding statement ratified by all parliaments, there is a range of possibilities, and therefore a margin for discussion."

Mr. Yeltsin also outlined Russia's conditions for an accord, including the geographical areas of NATO intervention and NATO deployments for which Moscow would be consulted.

Russia particularly wants firm security guarantees that NATO will not deploy nuclear weapons on the territory of future new members in Eastern Europe.

Mr. Chirac said that France had "always been against Yalta, against the division of Europe. Our ambition is to remove Yalta, to have a general security architecture," he said, referring to the carve-up of Europe into two rival blocs that followed World War II.

"Therefore," he said, "we very much want to reach a Russia-NATO accord allowing for NATO's enlargement, which is necessary today, while respecting Russia's political and security interests."

BRIEFLY



STEELED — A Socialist union leader, Roberto d'Orazio, speaking to a crowd near Brussels on Sunday. More than 20,000 people joined a march protesting job losses at the bankrupt steel firm Forges de Clabeco.

Corsican Rebels Set Off 58 Bombs

AJACCIO, Corsica — Corsican separatist guerrillas defied a French government crackdown to mount a show of force on the Mediterranean island Sunday, exploding 58 mostly tiny bombs in a few hours.

No one was wounded in the predawn blitz, mostly limited to post offices and other symbols of French state authority.

The "historic wing" of the outlawed Corsican National Liberation Front, seeking to prove it has not been crushed by the detention of three political leaders in recent weeks, said it planted the bombs.

Bikers Suspected in Jail Attack

COPENHAGEN — An anti-tank grenade was fired into a jail housing members of the Bandidos biker gang early Sunday, wounding one gang member in his cell.

The bikers were being held in connection with a grenade attack in October on a Hells Angels compound in Copenhagen, in which two people were killed and 19 wounded.

The police said several people with ties to the Hells Angels were arrested in connection with the attack Sunday on the jail in Koege, 20 kilometers (12 miles) south of Copenhagen. The Hells Angels and Bandidos gangs have been feuding for three years in Denmark, Finland, Norway and Sweden.

Spain Turned Over Nazi Gold

MADRID — Spanish authorities turned over 101 kilograms of gold to the Allies in 1948 that had "probably" been plundered from Jews or from occupied countries by the Nazis, El Pais reported Sunday.

The newspaper also said the Swiss National Bank had paid the Bank of Spain a total of 187 million Swiss francs (\$130 million) between 1941 and 1945 with gold plundered

by the Nazis from occupied countries.

The money was used to pay outstanding debts and transport taxes on Spanish territory for Portuguese goods bought by Switzerland, El Pais said. Switzerland is embroiled in a scandal over the fate of Jewish assets and Nazi gold banked in its vaults during the war.

Maskhadov Wins Chechnya Vote

GROZNY, Russia — Aslan Maskhadov won presidential elections in Chechnya with just under 60 percent of the vote, according to final figures announced Sunday by the electoral commission.

Mr. Maskhadov, 45, who was head of Chechen armed forces during the country's 21-month war with Russia, won 59.32 percent of the vote. His closest rival, the rebel warlord Shamil Basayev, garnered 23.5 percent.

The EU This Week:

International Herald Tribune

Significant events in the European Union this week:

• The EU statistical agency Eurostat will announce Monday whether it will accept a number of budget measures planned by EU governments to reduce their deficits and debt this year. The decision will signal whether the agency is toughening its stance because it was criticized in November for endorsing a French plan to reduce its deficit by 37.5 billion francs (\$6.8 billion) this year through a one-time payment to the government from state-owned France Telecom.

• Justice and interior ministers will hold an informal meeting in the Dutch coastal town of Noordwijk on Wednesday and Thursday to consider new measures for fighting international crime and discuss possible changes to the Union's governing treaties to intensify cooperation on issues ranging from crime to immigration.

UN and U.S. Get Pressure on Rights

By Paul Lewis
New York Times Service

UNITED NATIONS, New York — With a new secretary-general here and with President Bill Clinton entering his second term, human rights groups are stepping up pressure on both leaders to make protection against violence and abuse a higher priority.

The groups' efforts coincide with preparations for the annual meeting of the UN Human Rights Commission, in Geneva in March and April. At the meeting, Asian and African members are expected to continue their drive to demand that no action be taken by the commission unless the 53 member nations support it unanimously.

In a letter sent in January to Kofi Annan of Ghana, the new secretary-general, Kenneth Roth, executive director

of Human Rights Watch, suggested several ways the United Nations could do more to defend human rights. His proposals have been supported by other rights groups.

The Clinton administration will be urged to end its 'double standard' on rights.

including Amnesty International and the Lawyers Committee for Human Rights.

A group of American organizations are drafting a letter to Mr. Clinton in which they are expected to urge him to end what Mr. Roth calls the administration's "double standard" of criticizing violators who have little commercial or strategic importance to the United States, while sparing more powerful countries like China and Turkey.

In his letter, Mr. Roth said

that Jose Ayala-Lasso of Ecuador, named three years ago as the first UN high commissioner for human rights, should establish a more powerful presence at UN

headquarters. The commissioner should press the Security Council to give increased prominence to human rights protection in peacekeeping and relief operations, the letter said.

UN forces should not have to become "silent witnesses" to serious abuses, he said, citing the inability of UN peacekeepers in Bosnia to prevent ethnically motivated violence. Human Rights Watch, in its letter, also criticizes the low-key approach Mr. Ayala-

Lasso has taken toward his job, saying the secretary-general should encourage him to "take a more activist approach and become a leading public voice and moral authority on human rights issues worldwide."

In an interview, Mr. Roth complained about Mr. Ayala-Lasso's preference for quiet diplomacy, saying that he had been silent on war crimes in the Balkans and had never sought to draw the Security Council's attention to serious violators.

Reached by telephone in Geneva, Mr. Ayala-Lasso declined to comment on the Human Rights Watch criticisms of him personally. But he said he completely shared the group's belief that the role of the United Nations in encouraging respect for human rights needed to be strengthened.

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INTERNATIONAL

Police More Discreet in Peru Siege

LIMA — Talks between the leaders of Japan and Peru translated into a low-profile police presence at the Japanese ambassador's home Sunday, but there was no sign formal talks to end the hostage crisis would soon be held.

Japan had been concerned about escalating police activity around the embassy residence where Tupac Amaru Revolutionary Movement rebels hold 52 Peruvians, 1 Bolivian and 19 Japanese hostages.

The war of nerves in the exclusive San Isidro neighborhood has been toned down to a musical war. The rebels' revolutionary songs were drowned out by military music and sirens early Sunday, but provocative police parades that provoked shooting last week have been absent.

The question now is whether talks to end the nearly seven-week crisis will be held.

Agreement on Talks

Anthony DePalma of The New York Times reported from Toronto:

Under pressure from the government of Japan, Peru has agreed to reopen formal talks with rebels to find a peaceful solution to the six-week hostage crisis in Lima, but it again ruled out meeting demands for a release of rebel prisoners in Peruvian jails.

President Alberto Fujimori of Peru

called for the talks to resume after a 90-minute meeting here Saturday with Prime Minister Ryutaro Hashimoto of Japan.

Mr. Hashimoto expressed concern this week that Peru was considering using force to end the siege at the Japanese ambassador's residence in Lima and was trying to push Peru, with which Japan enjoys an especially close diplomatic and trade relationship, to try harder for a peaceful solution.

Both men reaffirmed their determination to end the hostage crisis without bloodshed. But they both flatly rejected the rebels' principal demand: that some 400 members of the Tupac Amaru Revolutionary Movement be released from Peruvian prisons.

At a news conference at the downtown Toronto hotel where they met, the leaders refused to discuss the details of their conversation, or to outline how they intend to end the siege without harming the 72 diplomats and businessmen who have been held since the rebels stormed the compound on Dec. 17 during a reception honoring the birthday of the Japanese emperor.

But Mr. Hashimoto tried to make it clear that he had received assurances that Mr. Fujimori would not provoke the rebels into a response that would warrant the use of force by the Peruvian security forces, who have been harassing the rebels inside the compound, rais-

ing fears of a violent confrontation.

"Today we had a frank exchange of views," Mr. Hashimoto said.

While holding out hope for a peaceful solution, both leaders restated their refusal to meet the rebels' demand for the release of prisoners, raising questions about the chances for success for any new talks. Earlier informal talks between a Peruvian government negotiator and rebels broke down over the issue.

Mr. Fujimori repeated his pledge to refrain from using force.

"To the extent that there is no harm to the hostages," he said, "no force will be used."

But he seemed to place clear limits on how much his government would accept.

"If a single hostage or several hostages are taken ill," or are not taken care of physically and mentally, "that would not satisfy the conditions that I have set," he warned.

Mr. Fujimori said that he could not release the rebels who are being held prisoner because they are "potentially dangerous people."

He called the hostage taking "an act of terrorism," and refused to acknowledge the Tupac Amaru as a legitimate rebel group.

"In Peru we do not have guerrillas," Mr. Fujimori said. "Calling them guerrillas or insurgents is incorrect."

Sudanese Rebels See Wider War

KUWAIT CITY — Sudanese rebels will open new fronts in their offensive against the Khartoum government despite international mediation efforts to end the fighting, Sadek Mahdi, the opposition leader, said Sunday.

Mr. Mahdi, in an interview with the Kuwaiti newspaper *Ar Ra'i al 'Aam*, also accused the fundamentalist government in Khartoum of receiving Iraqi support and working as an agent for Iran to spread militant Shiite Islam.

"The fronts will be extended," Mr. Mahdi, head of the main northern opposition movement Umma, told journalists. "I tell you the war will spread."

Fighting has raged for almost a month in southern and eastern Sudan.

Mr. Mahdi, who was prime minister until General Omar Hassan Ahmad Bashir overthrew him in a 1989 coup, said the president of the United Arab Emirates, Sheikh Zayed bin Sultan al Nahayan, "told us he was ready to conduct a mediation effort."

He also said the United States has had contacts with both the opposition and the government. (AFP)

Stay at Home, Cleric Tells Women

CAIRO — A leading Muslim cleric in Egypt whose remarks last week about limiting the role of women sparked an uproar stoked the flames Sunday by saying women should stay at home.

Mufti Sheikh Nasr Farid Wassef told the United Arab Emirates' weekly *Al Shuruk*, which is to appear Monday, that his call for women not to seek positions of power because it would be against their nature "was not a threat to their rights."

BRIEFLY

"The reality clearly shows that man is better able to make decisions on delicate questions and to judge things in a rational manner," Sheikh Wassef said, adding that "nothing frees a woman from her duties at home."

Islam does not oppose the ascension of women to high offices," he said. "We agree that they can be ministers, managers or members of Parliament, on condition that they do not forget their responsibilities to their husbands and children."

Egyptian women, and some men, were up in arms after last week's statements by Sheikh Wassef, whose remarks can be taken as religious decrees.

"This is a shock," said Mahmud Amin Alem, an eminent writer and editor in chief of the quarterly magazine *Al Kadayia* (Ideological Issues).

Three women hold cabinet jobs in Egypt, a country where men can prevent their wives from traveling abroad without their consent. (AFP)

Guatemala Military Mutiny Ends

GUATEMALA CITY — Almost 1,000 military police who staged a four-day uprising demanding improved pay ended their revolt Sunday after their barracks was surrounded on order of the army high command.

The news came just a few hours after the first exchange of gunfire between heavily armed government troops and the mutinous forces holed up in the Mobile Military Police barracks.

Earlier in the day, a military official who identified himself as Eric Quinones told the Spanish national radio by telephone the soldiers would not leave the barracks until the government yielded to their demand for \$10,000 to be paid to all 4,000 members of the unit upon demobilization later this year. (AFP)

Mexicans Arrest Seer and Mistress In Salinas Case

By Julia Preston
New York Times Service

MEXICO CITY — Last Oct. 9, federal prosecutors unearthed a body on a ranch belonging to Raul Salinas de Gortari and triumphantly predicted that the cadaver would implicate him in one of Mexico's most infamous murders.

Now, in a startling turnabout, the authorities have arrested his former mistress and a clairvoyant and charged them with planting the body in an apparent attempt to frame Mr. Salinas, the eldest brother of a former president.

And officials have disclosed that they are actively investigating the possibility that the top prosecutor in the case and three of his assistants themselves took part in the plot against Mr. Salinas.

Altogether, eight people were arrested for illegal exhumation and burial of a corpse, conspiracy and perjury. They are Maria Bernal, a young Spanish woman who had been Mr. Salinas's lover; Francisca Zetina Chavez, a seer who claims she provided spiritual counseling to Mr. Salinas, and six relatives and friends of Mrs. Zetina.

Top Mexico City justice officials announced that the corpse had been identified as the father of a son-in-law of Mrs. Zetina, who goes by her nickname La Paca. He died in November 1993 of a head wound and was originally buried in a public cemetery in the capital.

The officials said that Mrs. Zetina's son-in-law, Joaquin Rodriguez Cortes, also a follower of her religious cult, had confessed that he was moved by spiritual instructions from Mrs. Zetina to dig up his father's body one night in early October 1996 and bury it behind the stables on Mr. Salinas's property in the hills above Mexico City.

City investigators found the fingers and parts of the jaw, which were missing from the corpse when it was discovered on the Salinas ranch, in the family grave where it was first interred. The special prosecutor is

the case, Pablo Chapa Bezancilla, said in October that he was led to the burial site on Mr. Salinas's horse farm by a map and an anonymous letter provided by Mrs. Zetina, who said that "vibrations" had helped her locate the body.

The anonymous note identified the body as a federal deputy, Manuel Munoz Rocha, who has been accused of organizing the September 1994 assassination of a prominent politician and has been missing since a few days after that killing. The note accused Mr. Salinas of murdering Mr. Munoz Rocha by bashing him over the head with a baseball bat.

Mr. Chapa and other top Mexican justice officials said the corpse would be the "conclusive proof" that Mr. Salinas had masterminded both the shooting of the politician, Jose Francisco Ruiz Massieu, and the murder of the missing deputy.

That assertion proved to be the downfall of Mr. Chapa as well as the attorney general, his superior. When forensic tests showed that the body was not the missing deputy, President Ernesto Zedillo dismissed them both. But the case has continued to be a major embarrassment for the Mexican justice system, which is in severe crisis nationwide.

Mexico City authorities said Friday that they had issued an order to place Mr. Chapa under house arrest and were preparing to charge his assistants with illegal interference.

These events spell the final collapse of Mr. Chapa's credibility and cast serious doubt on the entire case he sought to make against Mr. Salinas for the Ruiz Massieu killing. Although Raul Salinas has never been convicted on any charge, he has been held since February 1995 in a maximum security prison.

But the federal prosecutors said Friday that they would continue to press the homicide case against Mr. Salinas, the brother of former President Carlos Salinas de Gortari.

Senegal to Probe Crash Of Plane Full of Tourists

The Associated Press

DAKAR, Senegal — The Senegalese transport minister appointed a commission Sunday to determine what caused the engine of an Air Senegal plane loaded with French tourists to stall as it took off, sending the aircraft crashing to the ground.

At least 23 people died when the twin-engine turbo-prop, a British-made Hawker Siddeley 748, smashed back onto the runway and burst into flames Saturday, seconds after lifting off from the central city of Tambacounda. An additional 29 people survived the crash. Most of them were French travelers.

"When we got to the end of the runway, the engines revved up and it was working OK," an unidentified survivor told Senegalese radio.

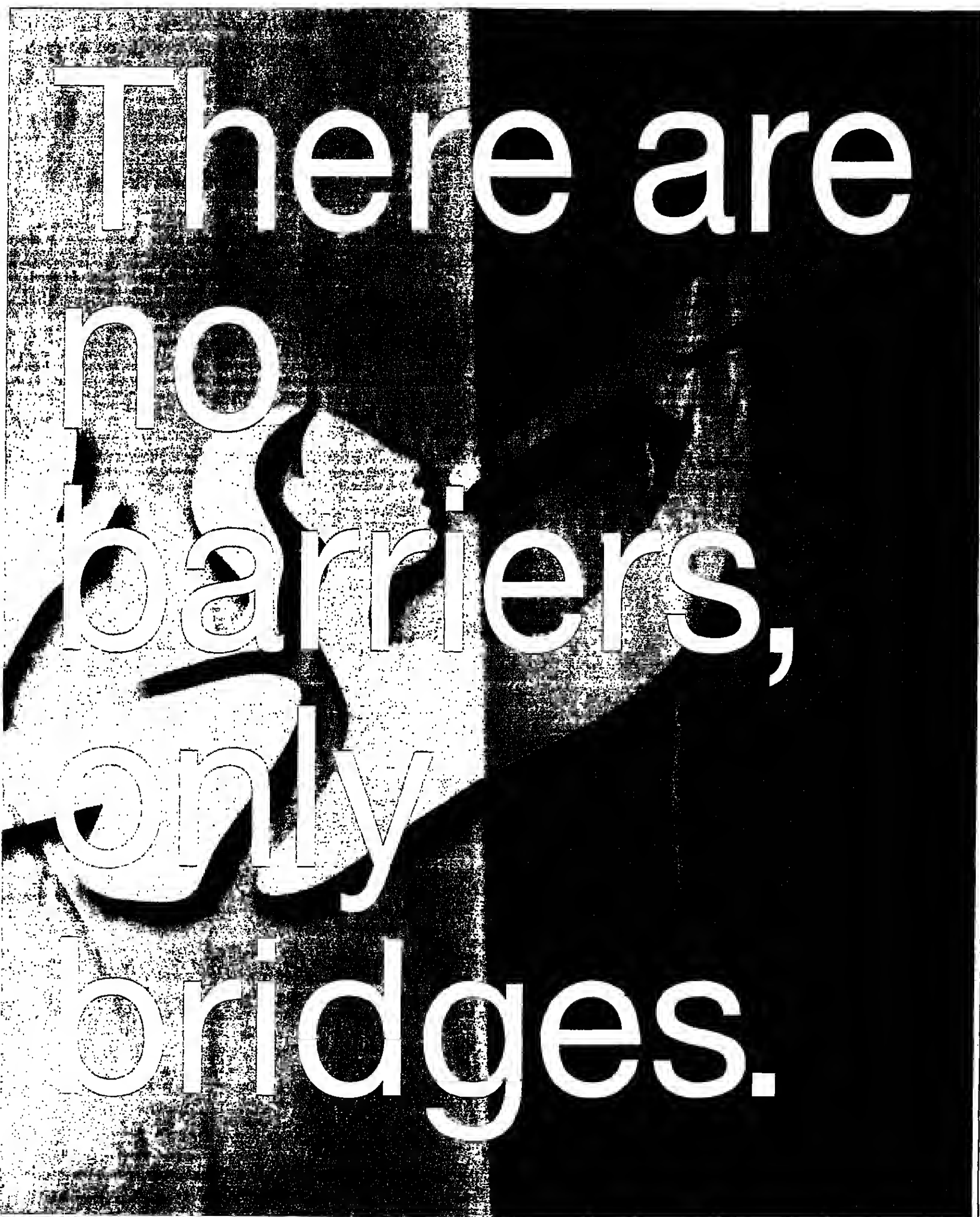
"But after 30 seconds the engines stopped and we came down," the survivor said. "The plane then crashed and

broke into two. Those of us who survived were at the rear end of the aircraft." The front of the plane was engulfed in fire "like a furnace," he said.

The dead included the co-pilot, Vladimir Vierra, son of the president of neighboring Guinea-Bissau. The Senegalese pilot and a third Senegalese crewman also died. The rest of the dead were European tourists, nearly all of them French, who were headed back to Dakar after a vacation in a wildlife park.

The 52-seater plane was filled to capacity, and there had been scuffles at the Tambacounda airport as several tourists trying to board were not allowed on because there were not enough seats. Four people eventually were forced to get off the flight and drive to Dakar.

Tambacounda is a base for tourists visiting the Niokolo-Kobbo national park, an animal and bird-viewing area.



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INTERNATIONAL

Sinn Fein Leader Denies Report He Sought Murder of Political Rival

By James F. Clarity
New York Times Service

DUBLIN — Gerry Adams, the political leader of the Irish Republican Army, on Sunday denied as "rubbish" reports in London newspapers that a former IRA guerrilla said Mr. Adams once discussed murdering John Hume, the most prominent mainstream Roman Catholic leader in Northern Ireland.

The reports, in *The Observer* and *The Sunday Times*, quoted Sean O'Callaghan, a former high-ranking IRA operative who later went to work for British intelligence, as saying, "I remember Gerry Adams asking me if we should kill John Hume."

"That's total rubbish," Mr.

Adams said in an interview in Belfast. "It's a lie. I don't want even to give it any credence by responding to it in any detail or at any length."

Mr. Hume, who has accelerated the current peace effort in the North by conferring regularly with Mr. Adams, did not comment immediately.

[Mr. Adams joined the families of the 14 victims of "Bloody Sunday" who were killed when British troops fired on civilian demonstrators 25 years ago, leading thousands of people Sunday in a march in Londonderry to commemorate the massacre, *Agence France-Presse* reported.]

[Earlier, Mr. Adams renewed a challenge to Prime Minister John Major of Britain to mount a new

inquiry into the Bloody Sunday shootings. An official investigation in 1972 exonerated British paratroopers, who said they believed they were under fire from IRA guerrillas attached to a civil rights demonstration by about 80,000 people.]

Normally, Mr. Adams and Mr. Hume are political enemies, contending for the electoral support of the province's Catholic minority. Mr. Adams through his party, Sinn Fein, and Mr. Hume through the Social Democratic Labor Party.

In the election in 1992 for the British Parliament, Mr. Adams lost his seat to a Social Democratic Labor Party candidate, Joe Hendron. Mr. Adams has said he will seek the seat in the British election to be held by the end of May.

Mr. O'Callaghan's latest statement, according to the London newspapers, is to be published in the next edition of *Fortnight*, a respected nonpartisan Belfast magazine.

Mr. O'Callaghan was released early from a British prison in December, after serving eight years for convictions on 43 charges of terrorist crimes.

Since his release, he has gained widespread celebrity for his stories in a series of interviews to newspapers and on several U.S. radio and television programs.

Some leaders of the Irish-American community have said the stories were hurting the peace effort.

Mr. O'Callaghan has said that in the mid-1980s, he made detailed arrangements to assassinate

Prince Charles and his wife at the time, Diana, Princess of Wales, but canceled them at the behest of his intelligence handlers.

He has also said that he worked for both the Irish Republic and British intelligence services. There has been no corroboration of his accounts of his activities as an IRA agent.

But officials of the Irish government, who have access to Mr. O'Callaghan's intelligence records, have said privately that his stories are untrue.

Some of those officials said that his release from prison was an effort by the British at psychological warfare, to put Sinn Fein and Mr. Adams in a negative light.

This, they say, is because Mr. Major's government has refused

to allow Sinn Fein to enter broad-based peace talks in Belfast until the IRA restores the 17-month cease-fire it broke in February last year with a series of bomb attacks in England and later in Northern Ireland.

The talks have been stalled since June, and are unlikely to make any significant progress until after the British elections.

Tim Pat Coogan, a historian and author of several standard reference works on the IRA, said Sunday that Mr. O'Callaghan's stories were fabrications.

"He is a brainwashed former IRA guerrilla, a relatively senior figure," Mr. Coogan said. "First the Irish Special Branch turned him, then the British MI5. This is all an effort to disguise the British

culpability in the breakdown of the peace talks, to discredit Sinn Fein in the media."

In its front-page story Sunday, *The Observer* quoted Mr. O'Callaghan reporting in *Fortnight* a conversation in 1982, saying: "Something new was needed. I remember Gerry Adams asking me if we should kill Hume."

Mr. O'Callaghan is reported to have advised against it, saying: "It was too late by then. The SDLP had become too big and respected by ordinary Catholics." He was referring to Mr. Hume's Social Democratic Labor Party.

"Killing Hume would have been a major disaster for the Provos," Mr. O'Callaghan is reported to have added, using the nickname of the IRA.

CHIRAC: A French Jimmy Carter? He's Liked but Seen as Flawed

Continued from Page 1

labeled a French Jimmy Carter — a notion that surely would be rejected by his aides. They insist his policies are starting to be accepted, evidenced by a slight improvement in economic indicators, and that he has turned polls around before, most notably to take part in the presidential race in 1995.

But according to a Sofres poll for French regional newspapers released in mid-January (and reinforced Friday when the polling organization found the president in continuing decline), only 18 percent of the voters canvassed found Mr. Chirac competent, while 69 percent said they were dissatisfied with his performance, and the same percentage said results of his first 19 months in office had been negative.

The poll reported, however, that 42 percent of the voters personally liked Mr. Chirac. Against the other numbers that chart French gloom — 12.7 percent unemployment, 76 percent of the population baying negative opinions about the country's economic future (the most pessimistic in Europe), 24.5 percent joblessness among people under 25 — Mr. Chirac's situation appears difficult.

"I find myself thinking very much like the average Frenchman on Chirac," said Jean Lacouture, a writer who is the author of an acclaimed biography of de Gaulle. "I'd rather have him as a brother-in-law or a guy I go to a rugby match with. He's not dumber than anyone else, but I don't sense there's an intellectual framework there."

"There's no sense of strategy, no capacity for invention. Mitterrand was too complicated, with people assuming he was always or three jumps ahead. With Chirac, the assumption is he's a jump behind."

Philippe Alexandre, one of the country's most acerbic political commentators, said there was no real contradiction in terms of French sensibilities between personal popularity and assumed mediocrity.

"The French like losers," he said. "They loved Raymond Poulidor, the bicycle racer, who always came in second or worse. And people tend to like Chirac, although many now say Chirac isn't on the level of his predecessors."

"Good will, the absence of any intellectual vanity and the desire to do good are not enough. It's a verbal exercise, the French presidency, and he doesn't have much to make the people dream."

So far, Mr. Chirac offers no claim to having made good on his election prom-

ises of lower taxes and a revitalized economy. He played a vigorous part in bringing the war in Bosnia to a standstill, but attempts to assert a French role in Africa and the Middle East have looked to his critics floundering and futile, and his decision to test nuclear devices in French Polynesia created a months-long running sore in international public opinion.

The wider problems that Mr. Chirac has acknowledged he must deal with may, in some respects, be tougher than those faced by most of his West European counterparts. As he has pointed out, the resistance that France feels toward the restructuring needed for its economy to remain competitive goes beyond straightforward economic decisions and to a sense that a national way of life that worked is being discarded.

More than in virtually any other democratic country, France has operated with intense state involvement in every area of life. Moving away from that approach — by design or by the force of global markets — threatens scores of entitlements and heightens a sense of impotence among people who are not used to risk and are sensing the sudden inappropriateness of their old methods and reflexes.

Mr. Chirac has said as much: France has told itself so long that it is wonderful that it cannot conceive of change.

"For reasons that have to do with our culture, the French have great difficulty accepting reforms," the president told a French newspaper last week. "Since we lack a culture of dialogue, reforms are accomplished in bursts between long periods of paralysis."

The French, Mr. Chirac has explained, are a profoundly conservative people with "a genius for denigration."

The president may have been thinking of himself. He is portrayed nightly in a popular television puppet-show satire, for example, as a friendly but hyperactive incompetent. Relatively little has been said in the French press about his extremely vigorous statements on racism or the responsibilities of the wartime Vichy government (a subject fled by his predecessor, Francois Mitterrand). But his energy is often depicted as flailing, and his ease with people made out as vulgar excess.

Under the circumstances, the president's method for dealing with the country's and his own problems involves pressing ahead with programs of reform in youth employment, education, justice, and military service and defense.

But the accident-prone quality of his staff's management was apparent last week in the mishandling of an undisclosed memorandum between the president and Chancellor Helmut Kohl of Germany on European defense policy that led to an embarrassing parliamentary debate and accusations that Mr. Chirac was abandoning French nuclear independence.

"I'm afraid we'll hit the rocks one day," Mr. Lacouture, the biographer, said, "and he'll do his best. He won't be cowardly or stupid. He'll be generous. But he won't have seen the rocks coming."

Because of his seven-year term and the presence in the French government system of a prime minister who serves as an overseer of day-to-day domestic political matters — and as a lightning rod in the event of small disasters — Mr. Chirac is not under urgent pressure for quick fixes.

But he cannot avoid paying attention to legislative elections in 1998 or the potential perception abroad that he is a failure at home.

Max Gallo, a novelist and biographer who served as government spokesman during Mr. Mitterrand's first term as president, said that, whatever doubts there were about Mr. Chirac's capacities, he would probably win re-election if he ran next week.

"His isn't the legitimacy of talent," Mr. Gallo said, "but of affection."

"He's the least bad possibility around. We can fear his mistakes, but not his deviousness or his dishonesty."

KLAUS: Czech Leader Bullish on Creation of Market Economy

Continued from Page 1

or probably goes to Poland, where economic growth in 1997 appears headed from 5 percent in 1996 toward the 7 percent level it saw in 1995, according to the research group Oxford Analytica.

Mr. Klaus, 55, was not shy about warning his Western neighbors that they would encounter risks along the path to Europe's single-currency project.

"As an economist," he said, "I expect periods of divergent economic developments in various European countries that will — without the mechanism of flexible exchange rates — lead to conflicting requirements on the centralized European budget." He added: "In this respect, I envisage problems and conflicts."

During a debate at the conference that



Yasser Arafat and Prime Minister Benjamin Netanyahu shaking hands Sunday after meeting at an economic forum in Davos, Switzerland.

included the financier George Soros and Jacques Santer, president of the European Commission, Mr. Klaus found himself disputing comments by both men.

He took issue with Mr. Santer's promise that a unified European Union would soon become a global power, saying, "I don't want to become a global power." And he accused Mr. Soros of being too optimistic about the EU's chances of achieving significant political and economic integration over the next decade.

"There has been a widespread increase in attempts to legislate — which means to control and regulate — almost everything in human life and human activities," Mr. Klaus said of the Union. "It is one dangerous development which we citizens of former Communist countries know too well."

By contrast, Mr. Klaus said, in most of Europe's post-Communist countries, "the transformation of institutions and basic rules has been completed," even though "those countries have not yet reached the level of development which they would have wished."

The Czech Republic has made its dramatic improvement, Mr. Klaus said, as it shifted from an economy based on manufacturing to one based on service industries such as tourism, banking and telecommunications.

He also outlined an ambitious program of privatization in the coming months that includes three of the na-

tion's largest banks and an aircraft-manufacturing company.

He said the first bank to be privatized, in the next few months, would be Investment and Postal Bank, which he said was worth roughly \$1 billion.

In addition, bidders are being asked to submit tenders for Aero, the state-owned producer of jet aircraft engines, which Mr. Klaus estimated was worth "a few hundred million dollars." Other privatization candidates include the utilities Southern Bohemian and Western Bohemian.

Mr. Klaus acknowledged at least one cloud on the horizon, the country's high trade deficit. "This is the political issue of the day," he said. He also claimed that the Czech Republic had opened its borders to trade with the Union more than the EU had opened its markets to Czech products.

He also noted rather plaintively that the start of formal negotiations for EU membership had been repeatedly delayed. "We are still waiting for negotiations to begin," he said, adding that he had been promised that the formal talks would start six months after the EU completed its Intergovernmental Conference, "whenever that is."

Commenting on Prague's desire to join NATO as soon as possible, Mr. Klaus said he had met here with Javier Solana Madariaga, the NATO secretary-general. "We expect that we will be invited to join this July, after the NATO summit in Madrid. We take this for granted. It is what I expect."

MIDEAST: Hailing a New Start

Continued from Page 1

launched with greater vigor." Mr. Arafat expressed guarded optimism about his upcoming talks with Mr. Netanyahu at the Israeli town of Erez on Thursday, one of their first meetings since they signed an accord last month guaranteeing an Israeli pull-out from most of the volatile city of Hebron. "We hope at the meeting we will try to solve all the problems we are facing," he said.

He and Mr. Mubarak both complained strongly Sunday that Israel was not doing enough to implement the terms of the 1993 regional peace agreement, known as the Oslo accords. During his speech here, Mr. Arafat broke into English and raised his voice to protest "illegal settlements" the Israelis were raising on the West Bank and "confiscatory" taxation. Mr. Mubarak also called on Israel to complete all aspects of its withdrawal from Hebron and adhere to its other commitments.

But the tone was milder than last fall, when an Israeli decision to open a tourist tunnel near Jerusalem's Al Aqsa Mosque led to violence that killed 60 Palestinians and 15 Israeli soldiers. Then, Mr. Mubarak boycotted an emergency summit meeting on Middle East peace called by President Bill Clinton because he felt it would not achieve anything.

Mr. Netanyahu has been much in evidence here in Davos, meeting with business leaders, pitching the growth potential of the Israeli private sector and, Friday, skiing. The visit marked a shift for the prime minister, who during his 1996 election campaign broadcast campaign ads mocking his late predecessor, Yitzhak Rabin, for going to Davos and hobnobbing with the bigwigs.

Mr. Peres also was here Sunday, sitting in the front row of the vast auditorium of the World Economic Forum as Mr. Mubarak, Mr. Arafat and Mr. Netanyahu made speeches to the 1,000-plus attendees. The three did not appear on the stage together. They spoke little and sat at separate tables at a dinner Saturday night.

Mobutu Heads Home With Stop in Morocco

Reuters

ROQUEBRUNE CAP MARTIN, France — President Mobutu Sese Seko of Zaire, who has been convalescing on the French Riviera, will fly to Morocco on Monday to meet King Hassan and travel home to Zaire on Saturday, a spokesman said.

Mr. Mobutu will meet the Moroccan leader "at the start of the week, Monday or Tuesday," said Mobutu Nzanga, a son of the president and his spokesman.

Mr. Mobutu has been in France convalescing from surgery for prostate cancer in Switzerland. Aides to the president said that two hospital examinations in Monaco during Mr. Mobutu's current stay were satisfactory.

ACCORD: China and U.S. Agree to Raise Textile Import Quotas

Continued from Page 1

The imbalance in textile trade is one of the biggest contributors to the U.S. trade deficit with China, the second biggest after Japan.

According to the Commerce Department, the surplus reached \$36.87 billion in the first 11 months of the 1996, surpassing the record \$33.8 billion for all of 1995.

The agreement, signed early Sunday after 50 hours of nonstop talks, extends for four years a 1994 treaty that expired at the end of last year and had been extended through January.

The deal leaves in place some \$19 million in penalties placed by Washington on Chinese imports, Ms. Hayes said, although Beijing agreed to withdraw its threat to impose retaliatory tariffs on certain categories of U.S. exports.

But bilateral trade in textiles and garments will remain heavily in China's favor under the agreement.

Beijing shipped \$6.65 billion worth of textile goods to the United States in 1995, the last year for which full data are available, giving it the largest share of the U.S. market after Canada and Mexico.

American textile manufacturers shipped \$64 million worth of garments and fabric to China in 1995.

Ms. Hayes said that figure could be doubled with improved market access

and optimum performance by U.S. exporters.

According to the negotiator, China promised to remove many of the non-tariff barriers that blocked U.S. exports. Among the U.S. exports that might benefit are fabrics, apparel and carpets.

The agreement does not change Beijing's tariff rates on such imports. They are between 20 percent and 30 percent for the most part.

China also got slight increases in some categories of its export quotas, Ms. Hayes said. She declined to provide further details, saying the memorandum of understanding reached Sunday had yet to be finalized.

Negotiators had given themselves until Friday to work out a new agreement but allowed the talks to drag on for two more days as they bagged over the issue of U.S. access to China's market.

The talks were complicated by U.S. accusations that China had skirted import quotas through mislabeling and transshipment, or shipping products through such intermediaries as Hong Kong — charges Beijing has denied.

American companies that buy textiles or apparel from China were watching the talks to see whether Washington extracted assurances from Beijing to stop transshipments.

"The transshipment charges that were made in September still stand as they did," Ms. Hayes said, but she refused to elaborate.

Both sides also agreed to separate treatment of quotas for Hong Kong, Macau and China after they revert to Chinese rule.

Beijing will reabsorb the British colony July 1, while Macau, a Portuguese colony, will revert to Chinese rule in 1998.

Combining Hong Kong and China would have changed the trade scenario, said David Toting, a retail analyst with Argus Research, because of the large number of sewing factories in Hong Kong that would have had to be included in the Chinese quota.

The trade pact was one of several areas in which Beijing and Washington have claimed progress as relations warm following two years of friction over Taiwan, trade and human rights, among other issues.

Secretary of State Madeleine Albright is due in Beijing this month, and a visit by Vice President Al Gore is expected in the spring.

While the final round of textile talks was under way, the U.S. assistant trade representative, Lee Sands, held separate discussions for 2½ days on Beijing's membership application to the World Trade Organization.

Those talks "made some progress," Ms. Hayes said.

If China gains admission to the WTO, its conditions for entry may override the new textile pact, she said.

(AP, Bloomberg, Reuters)

MASCOTS: Australia's Obscure Fauna Finding Olympic Fame

Continued from Page 1

of the three creatures "Corny."

But he added: "Corny sells. You could put a stuffed hamburger out there and it would sell." Usually one critter has been enough for the Summer Games, which have had mascots since 1972. In Barcelona in 1992, Cobi the dog took some ribbing but ended up as one of the most successful mascots.

Atlanta last summer used Izzy, a computer-generated blob in a jacket and tie that did not seem to symbolize much of anything but still sold the products.

That Sydney would have three mascots instead of one seems to represent the spirit of compromise that Australians are known for. Some of the characters that were not chosen for the Olympics include the crocodile, the venomous funnel-web spider, the cockroach, the red-back ant, the blowfly and the sheep, that great bulwark of the bush economy.

Animal biologists have found flaws in the representation of the two mammals. The echidna's eyes are really quite small and barely noticeable, in contrast to the bright, cherry eyes of Millie, said Dr. David Schultz, the senior veterinarian at

the Adelaide Zoo.

Moreover, the echidna, often described as a living fossil, has hind feet that face backward. Millie's face forward. Syd, the platypus, as well as Millie, should have five digits on each foot, not the three toes and four fingers of the cartoon characters.

"While I don't go for cartooning animals," Dr. Schultz said, "if you're going to do so, at least get them anatomically correct. Our wildlife is unique, and if we're going to show it to the world, it should be accurate."

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Herald Tribune

All Talk, No Action

The Clinton administration seems to have settled on a policy for dealing with the war criminals of former Yugoslavia: Speak frequently, and carry no stick at all.

The latest renewal of the policy came Friday, when the chief prosecutor of the UN war crimes tribunal, Louise Arbour, visited Secretary of State Madeleine Albright. Afterward, the State Department spokesman Nicholas Burns said the two women had "agreed that there had to be a greater effort made to detain war criminals and prosecute them." Added Mr. Burns: "We have been saying that for well over a year now." Exactly so.

The whereabouts of 65 indicted but uncaptured war criminals are, by and large, well-known to U.S. forces. In many cases, as Human Rights Watch/Helsinki documented in two recent reports, the people running the towns, police forces and businesses of the Serbian portion of Bosnia are the same people who orchestrated the horrors of ethnic cleansing. These criminals have not been arrested because U.S. troops have chosen not to arrest them — because, ultimately, President Bill Clinton has failed to order their arrests. To say a greater effort must be made is meaningless: without U.S. leadership, nothing will happen.

Defense Department leaders resist the mission, fearing for their troops. But some military officers realize that in the long run U.S. security is diminished if U.S. forces are perceived as paper duffers, afraid to challenge a few dozen bullies. Nor can U.S. forces fulfill their mission — bringing peace to Bosnia — as long as war criminals remain at large. Lately, it has become popular to focus on economic reconstruction as the answer to Bosnia's troubles. But war didn't break out for economic reasons, and economic aid alone can't secure the peace. As long as the alleged war criminal Radovan Karadzic and his henchmen run things from behind the scenes, economic aid actually will flow to the criminals, including to people who have become rich by expropriating the property of "disappeared" non-Serbs. Their abuses continue today, having moved from mass rape and murder to intimidation on a more selective scale.

The arrest of war criminals would not only be morally right; it might give pause to like-minded thugs in the future. Conversely, empty rhetoric can only embolden future criminals. Last week, during a visit to the Pentagon, Mr. Clinton renewed his call for a permanent war crimes tribunal. This is as cynical as all the other words, for without an enforcement mechanism such a permanent court would be as weak as the temporary Bosnia tribunal. If the administration is not prepared to make such efforts real, it should at least stop talking about them.

—THE WASHINGTON POST.

Africa's New Mercenaries

Mercenaries have returned to Africa. The new group, led by whites who once fought in South Africa's notorious counterinsurgency units, is called Executive Outcomes and advertises its military services in fancy brochures. The organization, formed in 1989, has little in common with the ragtag band of coup-plotters Africa has seen in recent years. But it threatens to be just as destructive.

The group's spokesmen say it works only for legitimate governments, unlike the anti-Communist mercenaries Mike Hoare and Bob Denard.

The soldiers, many of whom are black, make at least \$2,000 a month and use modern weapons like helicopter gunships. For roughly \$60 million, Executive Outcomes led an operation that defeated Angola's guerrilla army, something the government had been trying to do since the country's independence 22 years ago. In Sierra Leone it organized the defeat of a powerful insurgency and allowed the country to hold elections, reportedly in exchange for a diamond-mining concession. The group, which claims to have relationships with 30 governments, may next be hired by Zaire's dictator to defeat a rebel group in eastern Zaire.

Executive Outcomes owes its rise to the end of the Cold War. Africa's formerly ideological civil wars have now become competitions for control of natural resources. In addition, in some nations, government officials have left police and soldiers unpaid and undisciplined. Some African leaders, like Mobutu Sese Seko in Zaire, have refused to pay or train their militaries, not wanting to create forces that could turn against them. The West, for its part, is no longer willing to spend money or blood to intervene, leaving a vacuum that private companies are eager to fill.

The dangers are clear. There is nothing to keep the soldiers of Executive Outcomes from falling into terror, destabilization and banditry. Many of its leaders got their start carrying out the South African government's terror campaign against its domestic opponents under apartheid and supporting Pretoria's clients in Mozambique, Namibia and Angola during that era. In Angola they fought alongside the guerrilla army they helped defeat in recent years.

The soldiers of Executive Outcomes are not accountable to anyone other than the organization's leaders. If the mercenaries commit atrocities, citizens have no recourse. The company's financial arrangements are also troubling. If governments reimburse the group by granting it mining concessions, for instance, political leaders are effectively surrendering control of vital national resources. Regaining control when payment obligations have been met may not be easy.

Although Nelson Mandela's government says it is going to outlaw Executive Outcomes, it was happy for a time to have the group's soldiers occupied elsewhere in Africa, instead of making trouble at home. Mr. Mandela is right to start worrying now. It is not in the long-term interest of South Africa or its neighbors to encourage Executive Outcomes.

—THE NEW YORK TIMES.

Healthy Bickering

The public bickering between American and Saudi officials over the investigation of the deaths of 19 American airmen could turn out to be healthy. American officials usually go on to die in matters involving the royal family, in deference to the style it has chosen for its survival. But Saudi officials had stymied direct American access to witnesses of the Dhahran bombing. This put Washington in the untenable position of being unable to discharge its obligation of inquiry to men who died while serving their country. Saudi acknowledgment of this prime requirement in a democratic society would help clear the air.

Unfortunately, the Saudis seem still to be marching to a different drummer. The U.S. purpose is to find out the facts. The Saudi purpose appears to be to promote a particular theory — that Iran sponsored a few Saudi Shiite terrorists. Officials are reluctant to grant that the deed may have been done by homegrown religious conservatives opposed to the Saudi-American connection.

The matter might be left unresolved if events were not carrying Saudi Arabia and the United States into ever closer mutual engagement. The United States, slow to conserve energy, needs more and more Saudi oil. The Saudis need

U.S. patronage and protection. Even when they undertake a more independent policy — for their own defense, for instance — they do so in increasing reliance on Washington — on its technology, spare parts, bases, arms and political will. That is how those 19 Americans came to be in Dhahran.

But American technology, culture and military presence offend the Saudi religious right.

Saudi Arabia is now reportedly eyeing the purchase of 102 advanced F-16 American warplanes. Assume that this \$5 billion to \$15 billion package survives its premature disclosure. It will intensify a gathering internal debate over foreign orientation, budgetary priorities and even military priorities. Already this debate has given international topicality to whether the royal family will retain adequate legitimacy and whether Saudi Arabia itself may be treading the path of the shah's Iran.

The United States has a long friendship of convenience with Saudi Arabia. Its continuance remains a major interest of both countries. But circumstances require more clarity and candor from Saudi Arabia as well as the United States in working out their complex tie in newly trying times.

—THE WASHINGTON POST.

Plotting a Course on the Globalization Graph

By Thomas L. Friedman

DAVOS, Switzerland — The Times Mexico correspondent, Julia Preston, recently told me an intriguing story about the Zapatista guerrillas, the peasant group that has been fighting the effects of free trade and globalization on Mexico. Last year, the Zapatistas held a conclave in the jungles of southern Mexico, entitled "The Intercontinental Forum in Favor of Humanity and Against Neo-Liberalism." The closing session was a steamy, mud-hole session and was led by Zapatista leader "Subcomandante Marcos" — a Mexican combination of Robin Hood and Ralph Nader. The session ended with the Zapatistas doing a kind of drumroll and announcing the most evil, dangerous institution in the world today. To a standing ovation, the Zapatistas declared the biggest enemy of mankind to be the WTO — the World Trade Organization in Geneva, which promotes global free trade.

It's not surprising that the Zapatistas figured out that the WTO was the embodiment of globalization and was having a huge impact on their lives and jobs. What's interesting is how many serious scholars recently have joined the Za-

patistas in asking whether globalization — the integration of trade, finance and information that is creating a single global market and culture — is a threat to humanity or its salvation and whether it's inexorable or can be rolled back.

Just last month you have George Soros's essay in The Atlantic Monthly entitled "The Capitalist Threat," in which the financier argues that the spread of brutal global capitalism has replaced communism as the main threat to democratic societies. You have William Greider's new book, "One World, Ready or Not: The Manic Logic of Global Capitalism." You have a provocative essay by Harvard's Dani Rodrik, published by the Institute for International Economics, "Has Globalization Gone Too Far?" And you have a counterattack by Deputy Treasury Secretary Lawrence Summers, whose latest speech, "Integrating National Economies," argues that economic integration promotes stability and prosperity, and that we shouldn't give in to the "separatists."

This is becoming one of the most important foreign policy debates (and was a hot topic at this year's Davos World Economic Forum). Now, some of these writings are misleading — those that suggest globalization can be stopped. It can't. It's inevitable.

But while it can't be stopped there are two things that can be done to it: We can go faster or slower — that is, we can sign more or fewer free-trade agreements. And we can do more or less to cushion the negatives of globalization — that is, we can strengthen or shrink our social safety nets to help the losers. And we can invest more or less in educating our people to take advantage of globalization.

If you want to know who you are in this debate, draw one line going from east to west. On one extreme are the separatists, those who want to shut down globalization and economic integration, and at the other end are the integrationists, those who believe globalization is not only inevitable but good and want to sign more free-trade deals until we have global free trade from east to west.

Then draw a second line from north

to south. At the south end are those who believe the state should take total care of the losers from globalization, with everything from Social Security retraining programs. These are the safety-netters. At the north end are those who believe the essence of globalization is Darwinian economic competition, and the winners should take all and the losers should take care of themselves. These are the let-them-eat-cakers.

This handy matrix explains politics today: Bill Clinton is an integrationist/safety-netter. Newt Gingrich is an integrationist/let-them-eat-caker. Ross Perot is a separatist/let-them-eat-caker and the Zapatistas are separatists/safety-netters. This explains why Mr. Clinton can align with Mr. Gingrich on NAFTA but oppose him on Social Security reform, or why Mr. Perot and Subcomandante Marcos are allies on NAFTA and opponents on everything else. So forget the political labels hawk and dove, left and right. That's oldpeak. Put yourself in this matrix and find out who you are, and who your allies are, in the next great foreign policy debate.

The New York Times.

A Quest for Dignity: Understanding China Through Its Art

By Jim Hoagland

WASHINGTON — Madeleine Albright is to go to China later this month on her first trip abroad as secretary of state. The best way she can prepare for Beijing would be to spend a quiet afternoon at the National Gallery of Art in Washington.

A visit to the gallery's "Splendors of Imperial China" exhibition could provide Mrs. Albright with insights into fundamental cultural and political truths about China that do not surface in the closed-door briefings given by the usual China scholars and experts convoked by her predecessors.

The experts will tell Mrs. Albright things she already knows: how important the Chinese relationship is, how sensitive the Leninist oligarchy of the world's most populous nation is to criticism, how Washington must defer to Beijing's uncertain transition and emergence as a world power.

The views of top American academics and policy experts on China are so monolithic and predictable that those seminars have become pointless, says a U.S. official who has observed the process with growing despair. "It goes way beyond cliché," he says. The Economist magazine re-

cently echoed this view in an article that suggested the China experts also have an extraordinary record of being wrong. It pointed to the self-confessed "sentimental Sinophilia" of the late John Fairbank, "the most famous Western pundit on China," who lived to regret his 1972 declaration that the Maoist revolution was "the best thing" that had happened to the Chinese people in many centuries.

Gerald Segal of the Institute for Strategic Studies, a dissident in the expert ranks, was quoted listing other dismal miscalculations by "the priest-brood" about China's intervention in Korea, its murderous agricultural policies and the national devastation caused by the Cultural Revolution.

The treasures on display at the National Gallery survived that upheaval unscathed because they were brought from Beijing's Forbidden City to Taiwan by Chiang Kai-shek in 1948 and placed in the National Palace Museum.

Continuing rivalry between Taiwan and the mainland has nothing to do with the larger political truths that infuse this collection of 450 ink paintings and calligraphy, jades and

bronzes, porcelains and landscape scrolls. It is the centrality and durability of art in Chinese life, and its role in governance, that is highlighted by these treasures.

On these scrolls Chinese art unfolds progressively, revealing an unending search for moral order in a chaotic universe. Calligraphy is both "a revered art form" and a political instrument for the Chinese, according to the exhibit's catalogue.

"One of the most significant outgrowths of the political unification of China 2,000 years ago was the standardization of the written language," Calligraphy became "a key source of cultural identity." Skill in this visual poetry became an essential qualification of the scholar-officials who molded Chinese society.

China's bureaucrats, and some of its emperors, were also skilled artists and intellectuals. They made form as important as content, in poetry and politics. They helped create or embellish an art that exists outside the linear frames of Western painting — "an art of space," in the phrase of Simon Leys, a former Belgian diplomat who served in Beijing.

"The Chinese actually possess one more art" than does the West, Mr. Leys wrote last year in The New York Review of Books when this exhibition opened in New York. In Chinese history, "the written word possessed the power of ordering the cosmos and of generating reality." This script conveys meaning beyond language.

A quest for order and for dignity, and a revulsion against corruption, are the central themes of the exhibition's works that I found most powerful. They echo in visual form the conversations I had with student demonstrators in Beijing's Tiananmen Square in May 1989.

The students began those demonstrations seeking an apology from Deng Xiaoping's dictatorship for having maligned their patriotism in the official press. They gradually expanded their concerns to official corruption (which has skyrocketed since then) and the lack of democracy in China. But their essential demand remained a return to decency and dignity by their rulers.

Instead, the regime murdered many of the students and their supporters on June 4, 1989.

Even as astute an observer as former Secretary of Defense William Perry has let time ob-

scure the true meaning of the demonstrations. When I asked him in a recent interview to describe what the demonstrations had been about, he responded by reciting (although not endorsing) the regime's claim that it had to crack down on dangerous revolutionaries.

These art treasures show that the students' values were more in keeping with traditional Chinese society than are those of Mr. Deng and his henchmen, who will soon play host to Mrs. Albright.

Visiting and understanding this exhibition will help her not be taken in by the experts who say that "Asian values" make democracy and commercial honesty unattainable options for Chinese society today. The National Gallery exhibit punctures those arguments.

Mrs. Albright took office promising to "tell it like it is." She thus set for herself a high standard of truth-telling. But she promptly retreated behind a verbal smoke screen about "multifaceted relationships" the first time she was asked about China by the press. She owes the people of China and their traditional standards — as well as her own, recent self-proclaimed standard — better than that.

The Washington Post.

Emphasis Must Be Put on Forging a NATO-Russian Charter

By Frederick Bonhart

BRUSSELS — NATO's plans for the eastward spread of stability are under pressure. The enlargement process is moving forward inexorably, but Russia remains as inexorably opposed to it.

The hoped-for prior agreement for a formal NATO-Russia relationship is still outstanding. Although allied officials repeatedly stress that the two are not linked, it is clear that they must develop simultaneously to achieve the declared aim of a stable Europe.

The timetable for enlargement is fixed and the process has reached the stage of no return. Repeated encouragement from top allied leaders has all but assured at least three candidate countries — the Czech Republic, Hungary and Poland — that they will be invited to join. Any reversal, such as nonratification by the Parliament of a member country, would cause a powerful reaction within them that could impede their progress to democracy and European integration; it could also seriously undermine the present security situation. Of this, the Russian political establishment is well aware.

Yet the other part of this equation is still not solved.

NATO's offer in December 1994 of an enhanced consultation mechanism was never taken up by Russia, and subsequent attempts to persuade Russia to define its requirements have been unsuccessful. The enlargement timetable now presents Russia with a window of opportunity for establishing its post-Cold War world position, that it should use before it closes.

The window was opened by NATO when, in its first-ever international negotiation as an organization, it mandated Secretary-General Javier Solana Madariaga to speak for it. His visit to Moscow last month was a big step forward. Although on substantive issues a large gap continues to exist, he obtained a Russian response to NATO proposals. As a result, a negotiating process with agreed-upon dates and subjects is now under way.

It will require courage and imagination by both parties. NATO will have to open up a part of its decision-making mechanism to Russia, and Russia will have to make clear to its population that it cannot have a veto over alliance decisions.

A certain power imbalance

cannot therefore be excluded, but initially the aim is common: the definition of a relationship in which Russia is, and is seen to be, an important and active partner in major decisions on European security matters.

Clearly, no member of the alliance can be allowed a say on Article 5, common defense, matters. However, for the foreseeable future, NATO's military operations are likely to be peacekeeping or peacekeeping actions. In these, as in Bosnia, nonmembers can and do participate. Russia could play an important part, not only because of its size, latent power and amb-

bitious, but because it could make a valuable contribution to alliance efforts. In the Balkans, Russia's voice is likely to have a powerful effect on traditional allies, and common efforts can achieve difficult objectives; the present Contact Group on Bosnia provides a good example.

In peacekeeping, common military action is not only possible but desirable; cooperation with the Russian brigade in Bosnia was outstandingly successful. Plans for action in such fields could be made without adopting a prior NATO position.

In the original 16-plus-one

forum, NATO undertook the analysis process, came to a decision and then invited Russia to consultations. The system evolved, and extended changes of views now take place at different levels, sometimes before a NATO decision. But while the mechanism enhances transparency, and hence establishes confidence, it does not provide Russia with a say in the final decision.

A new method would see the analysis process carried through to arrive at agreed-upon decisions by 17. NATO could work out a schedule of situations in which such cooperative action is possible. This could range from concepts and planning for peacekeeping operations, including contingency plans; to training and exercises for such actions; as well as to related equipment and administrative arrangements. In any such future NATO operation, Russia could be automatically included in the process from the beginning.

This method would require the permanent presence in the organization of a number of Russian officials and military staff officers. These would operate at NATO in Brussels as well as in the headquarters of the military structure. It would mean a parallel organization,

not completely part of NATO but closely linked to it.

The deal would have to extend further. Russia would have to ratify START-2, and moves would have to be made toward START-3.

Transparency in military budgets, planning and force deployment would have to be mutual. In turn, NATO would have to show flexibility in the negotiations for the amended European force reduction agreement. Also, although the organization cannot irrevocably commit itself to nondeployment of nuclear and conventional forces or infrastructure extensions into any new member country, it can codify their present intended limits.

This should provide sufficient guarantees to both sides for an agreement to be reached. Together with a schedule for common action, a basis would exist for a formal NATO-Russia charter, signed for the alliance by its heads of state or government.

Russia would then be, and be seen to be, in a position of power and responsibility in the European security architecture. It could be an important step in a stable and harmonious European security relationship.

International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Cretan Clashes

ATHENS — The situation in Crete is extremely grave. Armed Christian bands are swarming down from the higher villages and are engaging in constant skirmishes with the Mussulman bands. Unremitting firing is heard in the town, where a panic reigns. The Christian population are shut up in their houses and shops. The Mussulmans are preparing a general assault, but fear the approach of outside bands. M. Markoulakis, a Christian judge, was killed in the streets. Crete is manifestly on the verge of fresh insurrection.

1922: Denying Darwin

LEXINGTON — The whole of the State of Kentucky is deeply stirred at the action of the State Senate in giving serious consideration to a Bill that forbids the teaching of the Darwinian

evolution theory in any schools or colleges receiving funds from the State Treasury. Educators throughout the country are united in their support of President Frank L. McClary, of Kentucky University, who is leading the fight against the measure.

1947: The 'New Mafia'

PALERMO — Sicilian Communists — local leaders in the movement to break up the great estates — charge that "Mafia assassins" are responsible for the deaths of seven labor leaders in Sicily "in a campaign of murder to prevent land reform."

The "New Mafia," as it is now known in Sicily, is under the orders of men who came back rich from America, settled down quietly to wait Fascism out, and then assumed leadership in the new organization. They advocate the independence of Sicily, which could then be ruled completely by the New Mafia.

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CAREERS

Web-Savvy Workers Snag Top Salaries as Firms Race to Set Up Sites

By Barbara B. Buchholz
New York Times Service

Companies are still struggling to find ways to profit from the Internet, but many people who set up and run corporate Web sites are not having the same problem.

As the number of sites on the World Wide Web has tripled to 300,000 since last year, demand for people to manage corporate sites has far outstripped the supply. Companies have been recruiting computer-savvy workers right out of college and, in some cases, high school. Some positions come with salaries higher than those paid for comparable jobs in other computer fields.

The Software Publishers Association says a computer graphics artist makes an average salary of \$36,400 and a programmer \$42,600.

But a recent survey by Buck Con-

sultants, an employee-benefits and compensation consulting firm in New York, found that the same jobs, when Web-related, were paying \$46,600 and \$46,200, respectively.

Salaries are continuing to rise as more companies scramble to open Web sites and what better place to find qualified workers than at the Web sites and graphics departments of other companies?

Brian Paris was a graphics designer at an insurance brokerage firm when the Web came knocking. He now manages the Web site at Maxwell Architects in Nashville, Tennessee; the new job has increased his salary 20 percent, to more than \$40,000.

Graphical Business Systems, an Elmhurst, Illinois, company that develops Web sites, lost two of its eight programmers in December.

One began his own Internet company; the other moved to an executive-recruit-

ing firm to manage its site for more than \$60,000 a year, a 30 percent increase over his previous salary.

Recently, another programmer, Craig Huber, changed his mind about leaving after the company said it would give him a percentage of his billings. That could raise his salary 40 percent, to more than \$60,000.

"You're constantly recruiting," said John Killeen, business development manager at Graphical Business Systems. "You find people with the right skills, call them back, and they're gone."

Fruit of the Loom Inc., a clothing company, hired 15 people for its Web site in 1995 and lost two of them to other companies within two months.

"Retaining them has been difficult," said Glenn Banfield, director of electronic commerce at the company.

The Weather Channel in Atlanta had trouble finding more Web workers last

year when it expanded its site. After unsuccessfully looking for 30 people with the right skills, it hired people from a variety of backgrounds and then trained them itself.

The jobs have salaries ranging from \$25,000 for Web customer service representatives to \$100,000 for the new manager of Web operations.

A director of on-line business typically has 10 to 15 years of corporate experience and has come up through a company's marketing or information services department; a Web programmer, on the other hand, may have no corporate experience but will be fluent in several programming languages, said Paul Gavejan, a principal at Buck Consultants.

Most in demand are workers with extensive advertising or direct-mail experience, said Bob Chatham, senior analyst at Forrester Research, a computer-

industry consulting firm in Cambridge, Massachusetts.

"What you need to make a Web site successful is to get customers there and keep them there," he said. "That requires workers with hybrid skills."

When Greg Siskind, author of "The Lawyer's Guide to Marketing on the Internet" (American Bar Association, 1996, \$64.95), founded an immigration law firm in Nashville, Tennessee, two years ago, he wanted to set up a one-page Web site. But he did the work himself.

"There was no consulting industry to tap," he said.

As the site grew, he hired two lawyers who also had Web skills to design and manage the site.

"We were seeking two things: lawyers knowledgeable about immigration law and attorneys who were Internet-savvy and could help with all the traffic on our Web site," Mr. Siskind said.

"We were willing to make them partners right away to reward and keep them."

Freelancers can profit, too. Brent Brotnie left a Chicago advertising agency three years ago to start his own communications firm. He writes the content for Web sites of several banks, insurance companies and mutual funds. Although he would not disclose his income, he said it had risen about 50 percent since he left the ad agency.

How long can the boom last? At least five years, predicted Josh Bernoff of Forrester Research.

"The industry is where television was in 1952," he said. "In its infancy."

Others are more skeptical, saying companies may begin to abandon Web sites if they fail to lead to increased sales.

"It's the Gold Rush of the '90s," said Alan Johnson, a compensation consultant in New York, "but don't be shocked if it doesn't work out."

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Europe's Future Central Bank: More Than an Inflation-Fighter

By Tom Buick
International Herald Tribune

BRUSSELS — To hear Europe's politicians talk, the debate about the future European central bank involves a stark choice between an independent body along the lines of Germany's Bundesbank, which resolutely defends sound money, and a submissive bank controlled by politicians that tolerates rising prices and a falling euro.

The reality, many economists and officials say, will fall somewhere in between. Although legally endowed with greater independence than the Bundesbank, the European central bank is likely to make a subtle but important shift from today's single-minded vigilance against inflation toward a more balanced policy that also seeks to foster growth and employment.

The best model may be not the

Bundesbank but rather the U.S. Federal Reserve Board, whose aggressive interest-rate reductions in recent years have fueled one of America's longest postwar economic booms without rekindling inflation.

An early hint of the shift came last week when the Bank of France surprised markets by trimming its key short-term interest rate by 0.05 percentage point, to 3.10 percent. The reduction came just three weeks after the appointment to the bank's monetary-policy committee of two members viewed as monetary-policy "doves" for their willingness to loosen credit to stimulate growth.

"The majority has slightly shifted after the two recent nominations," said Philippe Brossard, an economist at ABN-AMRO in Paris. "They are now more inclined to cut rates as much as they can." He predicted the French

central bank would lower its rate to 3 percent within six weeks, matching Germany's level, and said it might even undercut the Bundesbank's rate if the franc remained relatively strong.

Many economists and officials would welcome such a shift across the

German bankers favor limiting monetary union. Page 16.

15-nation European Union because the EU economy remains sluggish, unemployment is hovering near record levels of just under 11 percent, and inflation shows no sign of intensifying.

"There is room to say, 'We're going to take more aggressive steps to lower interest rates and see what happens on inflation,'" said A. Steven Englander, an economist at Smith Barney Inc. in Paris.

The European central bank can be expected to pursue a more flexible policy than the Bundesbank because monetary union will weaken Germany's voice in setting policy and enhance the role played by France and other countries.

Currently, Germany has a monopoly on Europe's monetary policy because the Deutsche mark is the bloc's anchor currency. If France or Italy fails to follow the Bundesbank's moves on interest rates, it risks having its currencies undermined by speculators in the financial markets.

But at the European central bank, policy will be decided collectively for the whole euro zone, and Germany will hold just one seat at the table.

"Germany will be one country, and not one central bank deciding interest rates for all central banks," said Christa Randzio-Plath, the German So-

cial Democrat who heads the European Parliament's subcommittee on monetary affairs. "There will be a different approach. It will be easier to strike an adequate policy mix."

In addition, monetary union will reduce the pressure on other European countries to support the rigid monetarist policy favored by the Bundesbank because there will be no currency risk for breaking ranks.

A Belgian representative of the central bank, for example, will be able to call openly for lower rates because "nobody can attack the Belgian franc," Mr. Englander said. "There won't be a Belgian franc."

The structure of the central bank goes a long way toward explaining why many German officials are determined to start monetary union in 1999 with a

See BANK, Page 16

Romania Seeks Large IMF Loan

By Alan Friedman
and Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — The new government of Romania, pledging to pursue the campaign of reform promises on which it swept into power, hopes to strike a deal in the next few days with the International Monetary Fund to provide emergency financial aid that analysts estimate could amount to \$500 million.

The government will also assert control over the country's leading financial institution this week while it proceeds with an anti-corruption campaign, said President Emil Constantinescu.

Mr. Constantinescu, who was elected last November and whose governing coalition includes conservative Christian Democrats, Liberals, Social Democrats and ecologists, is ordering the arrest and trial of some of his country's most prominent military, financial and banking officials as part of the anti-corruption crackdown.

The IMF and World Bank credits would form only a third of an estimated \$3 billion that Bucharest is seeking to generate this year from a pool of sources, including loans from the European Bank for Reconstruction and Development, aid from the European Union, private sector foreign direct investment and the proceeds of planned privatization projects, including the sale of some stock in Romania's state telecommunications group.

The president said he hoped negotiations on the terms and conditions related to the new IMF credits could be completed as early as the end of this week.

"We will plan to introduce a structural adjustment program that includes liberalizing energy prices and the exchange rate, and a tough program of fiscal discipline, tax reforms and privatizations," he said during a wide-ranging interview held on the margins of the annual World Economic Forum meetings here.

Romania is seeking to win between \$400 million and \$500 million of new

See ROMAN, Page 16

Big Contributors Find It Less Easy to Give Quietly

To Elicit Outlays From Others, Recipients Prod The Few Anonymous Donors to Take Credit

By Geraldine Fabrikant
and Shelby White
New York Times Service

When R. Champlin Sheridan wanted to make a sizable gift to his alma mater, Johns Hopkins University, he wanted to do it quietly. His goal, he said, was to "change other people's lives—I didn't want it to change mine."

Mr. Sheridan, a quiet, massaging man who made his \$50 million fortune in medical publishing, died, "I wanted a low profile because I almost felt embarrassed by my success."

The school, though, urged him to go public, and in the end Mr. Sheridan agreed—donating \$20 million.

Just like that, another anonymous donor was unmasked.

The overwhelming majority of American donors of big gifts bestow in full view—happy to slap their names atop buildings or work a black-tie dinner. Anonymous giving is estimated to account for no more than 1 percent or 2 percent of all contributions over \$1 million, and much of that is done for non-

But even that silent minority is being dragged into the open.

Charles Feeney, who made his fortune in airport duty-free shops, is but the most visible current example. Over the years he has given away \$610 million and has put \$3.5 billion into a charitable foundation, and he did it all anonymously, revealing his largesse recently only under pressure.

There are many reasons anonymous donors are coming out of the shadows, and they often do so under pressure from the institutions to which they give. Those institutions are paying more attention to fund-raising than ever, and

they like the publicity that attends gifts with a name attached.

Public gifts also spark the competitive instinct. When people see people they know—or know of—giving money, it is often just the shove they need to open their wallets, too.

Consider, for example, how the legendary competition between the Greek shipping magnates Aristotle Onassis and Stavros Niarchos apparently extended into their philanthropic activities. Although Mr. Niarchos was not a noted philanthropist during his lifetime, his will established an enormous foundation, estimated to be at least \$1 billion, that seemed designed to exceed the one set up by Mr. Onassis.

One contemporary of the two billionaires recalled that "their relationship was based on, 'I can do anything better than you.' Whatever the one was doing, the other was trying to outdo."

E. Burr Gibson, executive chairman of Marts & Landy, a New Jersey fund-raising consulting firm, said the recent numbers of big gifts had come "largely because some others have been publicized."

"Every large gift that carries the donor's name, somebody somewhere says to himself, 'I could do that. I could get that recognition, too,'" he said.

Institutions also urge donors to come forth to avoid losing track of them if the staff members who know their identity, or the intermediaries who arrange the gifts, move on. Fund-raisers also fear that accepting anonymous gifts sometimes lets stingy potential contributors off the hook.

"About 1 percent of the people who give, give anonymously," said Marshall Rose, chairman emeritus of the New York Public Library. "It some-

Big Gifts for Charitable Causes

The 5 largest individual anonymous gifts that were announced in 1995 and 1996.

1996 recipient	Sum	Purpose
Mississippi College Clinton, Miss.	25.0 million	Challenge grant
John Hopkins School of Medicine Baltimore	15.0 million	Endowment for faculty development and challenge grant for renovations
1995 recipient	Sum	Purpose
University of California at Berkeley	25.0 million	Capital campaign
New York Public Library	15.0 million	Building renovation

*A pledge for which additional money must be raised before the gift will be made. Sources: Chronicle of Philanthropy (1996); Giving USA (1996); NYT.

times seems that all the people who don't give claim to be in that 1 percent."

Philanthropy has also become much more businesslike. So to tap into the psychology of potential donors, fund-raisers compile detailed profiles, often inches thick, of their prospects, with

data on everything from their stock holdings to their hobbies to the structure of family-held businesses.

"There is so much more information publicly available," Mr. Gibson said. The data sometimes even chronicle who in the family gets along with whom—or how much a potential donor's friends

and colleagues have given.

Even with all this pressure, a stubborn few donors vigorously avoid the limelight. The reasons vary, but the overwhelming one is to keep from being hounded by other institutions, accord-

See CHARITY, Page 15

Q & A: George Soros

Toward a European Declaration of Interdependence

During the annual meetings of the World Economic Forum in Davos, Switzerland, the financier George Soros strongly urged that European political leaders pay more attention to the fears of ordinary citizens and the risk of social upheaval amid record unemployment. Mr. Soros discussed these and other issues with Alan Friedman and Jonathan Gage of the International Herald Tribune.

Q. Here at Davos you have been critical of European leaders who are not paying enough attention to public opinion as they prepare for monetary union in 1999. Could you explain your thinking on this subject?

A. I think it is very regrettable that the common currency dominates the debate in Europe. I believe the single currency will be introduced. The train has left the station, and as long as it stays on the rails it will get there in 1999.

But there is an increasing disaffection among the general public. People feel alienated. The processes are not transparent. Therefore, I think there is a crying need to go back to the political foundations of Europe and have a proper public debate about what this means, and perhaps even to have some kind of a European declaration of interdependence.

Q. What else should the European

Union be thinking about as it plans for the future?

A. For the European Union to ensure peace and prosperity it must also include countries like Poland and Hungary. The European Union needs to be ready for enlargement. I also think that it is regrettable that the question of NATO expansion is moving faster than EU enlargement because NATO expansion is perceived in Russia as being directed against it, and this is liable to lead to the division of the world into blocs again. It is not just that Russia is embracing Belarus, which is a dictatorship. But NATO expansion could also lead to realignments and new ties between China and Russia. It would be desirable that NATO expansion be accompanied by a NATO alliance with Russia, and it would be even more desirable that Europe's economic and political integ-

ration should proceed faster than military alliances.

Q. Let us return for a moment to the single-currency project. As things stand, with Italy struggling to slash its budget deficit and German public opinion skeptical about giving up the Deutsche mark, especially if the new euro includes weaker-currency Mediterranean states, do you think the first wave of single-currency members will be a small hard core led by Germany and France or a larger group?

A. I think Spain is in a good position and it would be very difficult to exclude Italy if Spain is there. In fact this issue has already created tension. A possible outcome of the tension is a firm commitment to Italy that they will be included in the second round provided

See SOROS, Page 16

CYBERSCAPE

Ask Not What Webcasts Can Do for You

By Margot Williams
Washington Post Service

WASHINGTON — Live! On the World Wide Web! It's the 53rd Inaugural Address! For the lucky few, at least.

Last week, along with millions of fellow Internet users, I was shut out of the live coverage of Bill Clinton's second inauguration. We'd been told we could watch an on-line audio-video broadcast of the event, without having to use special software or "plug-ins."

It sounded fabulous.

Trouble was, the site was built to handle only 5,000

people at a time. Down it went.

As one of the guilty hypes of the event, I felt doubly determined to fight my way in. So, I eventually found a back way into the site, via the Web address of one of the companies providing technology to the producers. After all that trouble, here's what I saw: A 2-by-24-inch (5-by-6.3 centimeter) screen surrounded by an image of what looked to be a left-handed remote-control device. Jerky and indistinct "live" motion followed by several seconds of the same live broadcast that

everyone else in the office was watching on television.

Here's what I heard: Nothing on one computer, because it had no sound card. Tinny, garbled, hard-to-follow voices were audible on one that did.

The experience was symptomatic of video Webcasts in general. Try as it may, the Web just doesn't have the capacity to service large numbers of people at once or deliver a quality product. It just can't handle the flood of electronic ones and zeroes that is needed to make up a high-quality video image.

The result: If a Webcast event is at all popular, most people who want to can't link up to it. Those who do can't believe the quality is so bad.

When I finally made it to the inauguration site, I smugly invited colleagues to come over and see it on my screen. "Why would anyone watch that?" was the general query of those who came. "Who would watch that?" asked a significant number. "Cool!" exclaimed one or two special people.

Let's answer the first question: Why? One reason is that Internet video can let you bypass television ads and chatter and tune in directly to an event. The C-SPAN channel also does that, of course, but not everyone has access to it. And some Web video events are not carried on television at all.

Internet radio has moved farther down that last road. RealAudio technology, which lets you listen to the equivalent of radio programming on the Internet, has spawned a global audience. Although prices say there are many other ways to get radio, many listeners abroad are de-

lighted to be able to listen to news, sports and entertainment programming without attention to national borders or atmospheric interference.

If you're looking for schedules of the day's live Internet broadcasts and events, check the scheduled Net Events at Yahoo! (<http://events.yahoo.com>), or at NetClock (<http://www.netclock.com>), where you can search by time or topic for a week's scheduled audio and video broadcasts.

TimeCast (<http://www.timecast.com>) provides the same for only RealAudio schedules and special events. As for the "who" question, the typical Webcast audience member is a computer enthusiast with a higher-end machine. You need a Pentium or PowerMac machine, properly configured software and a fast connection (28,800 bits a second is the absolute slowest modem you can use).

Many of them, of course, watch a Webcast for the pure joy of doing it. It doesn't matter to them if it's more difficult than television.

The fact is that the Internet's capacity grows daily, and to my mind it is only a matter of time before it becomes a commonplace means of sending video. In the 1950s, my grandpa watched baseball on his new television but listened to the play-by-play on his old radio. We're in another period of transition. I just wish that programmers and broadcasters would do a better job in the meantime of planning their parties on a scale to match the number of guests they've invited.

Internet address: Cyberscape@iht.com.

Israeli Treasury Blames High Rates for Slump

Reuters

JERUSALEM — The head of the Treasury blamed the Bank of Israel's tight monetary policies Sunday for a slowdown in the economy, but the central bank shot back that the government's budget deficits had left it little choice.

"We find ourselves, it seems for the first time in the Israeli economy, in a slowdown that has been created entirely by monetary policy, and one I am not sure the government decided intentionally to implement," the Treasury's director-general, David Brodet, said.

The Treasury predicts that Israel's gross domestic

product will grow 4 percent this year, although many private economists have issued more pessimistic forecasts. Last year, GDP grew 4.4 percent, according to preliminary government estimates.

Mr. Brodet said at a news conference that if interest rates did not come down soon, the economy would face even slower growth than the government was projecting. Short-term interest rates have been declining since the middle of last year; the Bank of Israel cut them half a percentage point last week, to 14.2 percent. But the Treasury and industrial leaders have been pressing for steeper cuts because inflation

is falling at least as quickly.

The Bank of Israel said, however, that the problem was the budget deficit.

"The problem of balance in the Israeli economy policy is a result of the loss of fiscal control that began in 1995 and worsened in 1996," the Bank of Israel said in a response to Mr. Brodet's comments.

Last year, the budget deficit reached 4.7 percent of gross domestic product, compared with a target of 2.5 percent.

Mr. Brodet said economic indicators for the end of 1996, such as industrial production and electricity consumption, were pointing to a further slowing of the economy.

He said two years of a misguided policy of high domestic interest rates had drawn in \$10 billion in capital imports, mainly by Israeli businesses taking advantage of cheaper foreign-currency loans.

The central bank said it was committed to the existing foreign-exchange regime and would continue to defend the exchange rate.

See SOROS, Page 16

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CAPITAL MARKETS ON MONDAY

Investors Embrace First Bond Issue in Euros — Mainly to Avoid the Ecu

By Carl Gewirtz
International Herald Tribune

PARIS — The euro, the European single currency, scheduled to be launched in 1999, made its debut on the international capital markets last week, and both institutional and retail investors gave it the equivalent of a standing ovation.

The seven-year issue of 1 billion euros was substantially oversubscribed, underwriters reported, and the price was bid higher, lowering the bond's yield by 0.06 percentage point, thanks to heavy demand.

But it would be a mistake to read much significance into the issue's reception, traders said, because it in no way ensures that the euro is likely to be created and says nothing about investors' willingness to accept the proposed currency.

The outlook for the euro is still cloudy because, for one thing, it is out at all certain that both Germany and France will succeed in bringing their budget deficits down enough to fit under the Maastricht treaty's maximum — 3 percent of gross domestic product — for creating a monetary union.

It also remains to be seen how far Paris will push its drive to impose political control over the future European central bank, an effort that is vigorously opposed in Bonn.

If the euro never comes into existence, the issue by the European Investment Bank, the European Union's regional development bank, would automatically be devalued in European currency units.

The Ecu, a basket of 12 European currencies, had been intended to be the future common currency, but its lackluster performance on the foreign-

exchange market led to its replacement by the euro.

In principle, upon the creation of the euro, Ecu is to become euros in a 1-for-1 exchange, giving the bank's issue a value of \$1.19 billion.

The 12-currency aspect of the Ecu, in fact, is the reason the European Investment Bank's euro issue was such a hit. In the present quarter, an estimated 6 billion Ecu of bonds is scheduled to be redeemed. But investors, particularly institutions that must value their holdings at market rates, have no incentive to reinvest their money in Ecu.

That is because, of the 12 nations whose currencies make up the European currency unit, only Belgium, France, Germany, Luxembourg and the Netherlands are considered nearly certain to enter a monetary union if it occurs. The initial participation of Italy, Spain, Ireland and Portugal remains highly un-

certain: Britain and Denmark are likely not to want to join, and Greece is not even a candidate.

Such currencies as the lira, peseta and escudo — which have risen sharply in recent months on speculation that they will qualify for monetary union in 1999 — will certainly take a hit if left out. It is a matter of conjecture what the impact will be on sterling, the krone and the others. But there is a strong possibility that the Ecu will weaken, dragged down by the component currencies that are not replaced by the euro in the first stage of a currency union.

Thus, investing in euro-denominated bonds looks like a much safer bet — even though the euro may never be created — than placing money in Ecu, and this explains the tremendous response to the new offering.

For the European Investment Bank itself, the offering was less a financial

transaction than an operation undertaken for political and public relations reasons, as bankers said. Medium-term financing could have been arranged at much lower cost by issuing bonds in another currency and then swapping into the Ecu, the bank's unit of account.

The new issue "inaugurates a new phase in the EIB's policy of support of the euro," the bank said, adding that it formed "part of our long-term strategy to support Europe's monetary union and economic integration."

The issue was offered to yield 5.61 percent — 0.02 percentage point, or 2 basis points, more than French government Ecu paper already outstanding. The spread subsequently was reversed, to four basis points below the French issues, because of the heavy demand.

To achieve that yield, the paper was offered at a discounted price of 97.94. The aim, underwriters explained, was to

set the coupon at 5.25 percent and thereby keep open the possibility that future issues in euros, Ecu or any of the currencies likely to form the euro would become fungible, creating a jumbo issue that could become a benchmark.

At the same time, the bank last week sold 1 billion guilders (\$543.6 million) of 10-year bonds carrying a coupon of 5.75 percent. Assuming the Dutch currency joins the monetary union in 1999, that issue also could be increased in size through consolidation with other issues in currencies converting to the euro to form a jumbo euro.

"The fundability of such future EU national currency issues with euro/Ecu issues launched by the EIB," the bank said, "will enable the bank to contribute to building up liquidity rapidly in the euro market and to create an early euro benchmark yield curve."

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Jan. 31. Prices supplied by Telekurs.

Rnk	Name	Cpn	Maturity	Price	Yield
1	Austrian Schilling	5 1/2	01/17/07	98.800	5.690
2	Belgian Franc	9	03/28/03	120.520	7.470
3	British Pound	9 1/2	10/25/04	112.210	8.470
4	237 Austria	5 1/2	01/17/07	98.800	5.690
5	215 Belgium	9	03/28/03	120.520	7.470
6	234 Britain	9 1/2	10/25/04	112.210	8.470
7	249 WestLB Fin	8 1/2	01/24/07	100.620	8.700
8	Denmark Krone	8	03/15/04	110.20	7.260
9	16 Denmark	8	11/15/98	108.440	8.300
10	21 Denmark	8	11/15/01	111.45	7.180
11	22 Denmark	8	11/15/00	111.500	7.280
12	27 Denmark	7	11/15/02	102.300	6.840
13	34 Denmark	7	11/15/04	95.000	7.370
14	40 Denmark	6	11/15/02	102.400	6.820
15	51 Denmark	6	05/15/03	111.420	6.900
16	53 Denmark	6	12/10/99	104.160	5.760
17	89 Denmark	4	02/15/00	95.100	4.020
18	106 Denmark	6	02/15/02	102.400	6.820
19	112 Denmark	7	08/15/97	101.720	6.880
20	118 Denmark	6	02/15/98	103.220	6.780
21	146 Nykredit 3 Cs	6	10/01/96	87.000	6.890
22	165 Nykredit	6	10/01/96	86.500	6.910
23	222 Nykredit Bank	7	10/01/96	94.000	7.450
24	Deutsche Mark	6 1/2	01/04/05	105.430	6.170
25	2 Germany	6	01/04/07	101.616	5.900
26	3 Germany	6	01/01/02	114.273	7.000
27	5 Germany	6 1/2	05/25/05	108.114	6.360
28	6 Germany	6 1/2	04/25/06	103.550	6.840
29	8 Germany	5	08/20/01	102.270	6.900
30	9 Germany	6	07/22/02	114.750	6.970
31	10 Germany	6	01/05/06	101.200	5.890
32	12 Germany	6	12/10/98	100.120	5.800
33	14 Germany	6 1/2	05/25/05	108.114	6.360
34	15 Germany	7 1/2	01/03/05	111.410	6.430
35	17 Germany	7 1/2	09/09/04	112.390	6.890
36	18 Germany	6 1/2	05/21/04	102.450	6.700
37	19 Germany	7 1/2	12/02/02	111.780	6.600
38	23 Germany	7 1/2	01/29/03	110.410	6.450
39	24 Germany	3 1/2	09/15/98	102.240	6.920
40	25 Germany	6 1/2	04/24/04	95.170	5.400
41	26 Germany	6 1/2	07/09/03	107.220	6.100
42	28 Germany	8 1/2	02/20/01	114.933	7.390
43	29 Germany	6 1/2	02/16/06	101.840	5.890
44	31 Germany	6 1/2	06/11/03	108.943	6.310
45	32 Germany	6 1/2	08/20/01	116.700	7.500
46	33 Germany	6 1/2	02/01/01	103.460	5.800
47	35 Germany	9	10/20/00	116.040	7.760
48	36 Germany	6 1/2	07/15/03	106.960	6.080
49	37 Germany	7 1/2	10/01/02	113.476	6.830
50	38 Germany	7 1/2	12/10/02	110.380	6.400
51	41 Germany	5 1/2	08/22/00	102.330	5.400
52	42 Germany	5 1/2	11/21/00	103.140	5.700
53	43 Germany	6 1/2	03/14/06	103.240	6.900
54	44 Germany	6 1/2	03/04/04	105.800	5.950
55	46 Germany	5 1/2	05/15/00	105.610	5.560
56	47 Germany	6 1/2	04/23/03	107.080	6.700
57	48 Germany	7 1/2	11/11/04	112.260	6.800
58	49 Germany	7 1/2	01/13/00	106.670	6.400
59	54 Germany	8 1/2	07/20/00	114.600	7.300
60	55 Germany	8 1/2	09/22/07	103.000	7.700
61	57 Germany	8 1/2	12/20/00	115.923	7.600
62	58 Germany	6 1/2	07/01/99	106.130	6.010
63	61 Germany	6 1/2	05/21/01	114.700	7.200
64	62 Germany	6 1/2	02/15/02	107.200	6.520
65	64 Germany	6 1/2	04/22/03	108.475	6.200
66	67 Germany	6 1/2	01/29/98	103.340	6.200
67	68 Germany	6 1/2	01/22/01	114.140	7.200
68	70 Germany	6 1/2	05/13/04	107.800	6.260
69	72 Germany	6 1/2	07/29/99	106.170	5.990
70	75 Germany	6 1/2	01/15/00	102.920	6.800
71	76 Germany	6 1/2	11/21/03	104.080	6.200
72	77 Germany	5 1/2	12/17/98	102.840	6.800
73	78 Germany	8 1/2	02/19/97	102.330	6.600
74	81 Germany	6 1/2	04/25/98	103.810	5.900
75	82 Germany	5 1/2	09/15/99	107.610	6.270
76	83 Germany	5 1/2	05/28/99	104.780	5.490
77	84 Germany	6 1/2	12/02/98	106.940	6.480
78	87 Germany	6 1/2	06/20/96	94.977	6.320
79	88 Germany	6 1/2	12/02/98	106.940	6.480
80	90 Germany	5 1/2	10/20/98	103.160	5.990
81	92 Germany	6 1/2	09/15/03	104.576	6.740

Rnk	Name	Cpn	Maturity	Price	Yield
95	95 Germany	6 1/2	05/20/98	103.433	6.130
96	96 Germany	7 1/2	10/20/97	103.080	7.280
97	98 Germany	8 1/2	08/21/00	114.010	7.460
98	100 Germany	5 1/2	08/20/98	103.625	5.570
99	103 SuedwestLB	4 1/2	01/20/02	100.150	4.870
100	105 Germany	5 1/2	11/20/97	101.440	5.170
101	110 Treuhänder	5 1/2	09/24/98	103.560	5.400
102	113 Treuhänder	5 1/2	04/29/99	104.720	5.490
103	115 Germany	8 1/2	12/22/97	103.200	7.500
104	120 EIB	6 1/2	07/22/03	104.113	5.760
105	123 Germany	5 1/2	02/22/99	103.830	5.180
106	132 Germany Tbilis	2 1/2	01/18/97	98.629	3.020
107	140 Germany	7 1/2	10/12/02	111.29	6.590
108	143 Germany	8 1/2	03/20/97	100.633	7.950
109	145 Germany	6 1/2	05/20/99	105.700	5.800
110	154 Germany	8 1/2	05/23/00	114.330	7.650
111	157 Treuhänder	7 1/2	11/25/99	108.530	6.450
112	159 Ba Credit Card	6 1/2	11/15/05	103.347	5.800
113	164 Germany	6 1/2	01/20/07	103.230	5.900
114	171 Germany	6 1/2	02/24/99	104.650	6.450
115	175 Cap Credit Card	5 1/2	08/15/01	102.917	5.740
116	190 Germany	7 1/2	10/20/97	102.850	7.450
117	202 Germany	5 1/2	08/20/97	101.400	5.900
118	203 Germany Tbilis	2 1/2	04/18/97	99.202	2.900
119	204 Germany	7 1/2	02/21/00	101.870	6.900
120	226 Mexico	8 1/2	09/10/04	104.700	7.400
121	227 Germany	6 1/2	05/02/03	107.780	6.260
122	231 Germany	6 1/2	02/20/98	102.875	5.830
123	232 Germany	7 1/2	01/20/00	105.575	6.430
124	233 OSL Fin	6 1/2	01/15/07	103.745	5.700
125	241 Germany	6 1/2	06/21/99	107.070	6.300
126	245 Germany	2 1/2	09/20/04	99.700	3.020
127	249 Germany	6 1/2	01/20/99	105.500	6.160
128	246 Spain	3 1/2	06/21/99	102.250	5.180
129	250 Austria	6 1/2	01/10/24	97.030	6.700

Rnk	Name	Cpn	Maturity	Price	Yield
Japanese Yen					
125	World Bank	5 1/4	03/20/02	1174	4.460
153	World Bank	4 1/2	06/20/00	1114	4.400
243	Japan Dev Bk	4 1/2	06/20/00	122.150	4.500
244	World Bank	4 1/2	02/03/03	1149	3.920
Portuguese Escudo					
73	Portugal	8 1/2	02/15/99	104.0065	7.9923
203	Portugal		02/03/06	100.2500	
Spanish Peseta					
194	Spain	8.80	04/06/06	113.9470	7.7200
228	Spain	10.10	02/28/01	115.6120	8.7400
Swedish Krona					
50	Sweden	11	01/21/99	111.7930	9.8400
71	Sweden 1036	10 1/2	05/05/00	114.5400	8.9200
163	Sweden	6	02/09/05	94.5700	6.2800
172	Sweden	13	06/15/01	128.0710	10.1500
191	Sweden	6 1/2	10/25/06	97.7230	6.4400
198	Sweden 1037	10 1/2	05/05/00	114.4000	8.9200
209	Sweden	10 1/2	05/05/00	120.0790	8.8000
U.S. Dollar					
4	Brazil Corp S.L.	4 1/4	04/15/14	81.1222	5.5500
11	Argentina FRN	4 1/4	03/29/05	87.6492	7.5600
13	Argentina FRN	4 1/4	04/15/03	64.5310	6.2800
30	Brazil	4 1/4	01/01/01	79.5750	8.9100
43	Mexico	4 1/4	05/15/12	108.7530	10.6100
52	Brazil S.P. 2	6 1/4	04/15/14	79.8670	8.2300
60	Brazil S.P. 2	6 1/4	04/15/14	79.8670	8.2300

MUTUAL FUNDS

Figures as of close
of trading Friday, Jan. 31

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Consolidated prices for all shares
traded during week ended Friday,
Jan. 31

Stocks Div Yld ^{Sales} 100s High Low Cse Chge

Year	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	

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姓名	性别	年龄	籍贯	民族	文化程度	职业	住址	电话	备注
王德胜	男	45	山东	汉族	高中	教师	济南市	24112	
李小明	男	30	江苏	汉族	大学	工程师	南京市	10000	
张小红	女	25	浙江	汉族	初中	售货员	杭州市	31000	
赵国强	男	50	河南	汉族	小学	农民	郑州市	45000	
刘小华	女	35	湖北	汉族	高中	护士	武汉市	43000	
陈伟明	男	40	广东	汉族	大学	医生	广州市	51000	
周小芳	女	28	四川	汉族	初中	工人	成都市	61000	
吴大刚	男	55	安徽	汉族	小学	退休	合肥市	23000	
孙丽娟	女	32	湖南	汉族	高中	会计	长沙市	41000	
郑国强	男	48	江西	汉族	大学	教授	南昌市	33000	
王小红	女	22	福建	汉族	初中	售货员	福州市	35000	
李小明	男	38	广西	汉族	高中	司机	南宁市	53000	
张小红	女	27	云南	汉族	初中	工人	昆明市	65000	
赵国强	男	52	贵州	汉族	小学	农民	贵阳市	55000	
刘小华	女	33	海南	汉族	高中	教师	海口市	50000	
陈伟明	男	42	重庆	汉族	大学	工程师	重庆市	40000	
周小芳	女	29	陕西	汉族	初中	售货员	西安市	71000	
吴大刚	男	57	甘肃	汉族	小学	退休	兰州市	73000	
孙丽娟	女	34	宁夏	汉族	高中	会计	银川市	75000	
郑国强	男	49	青海	汉族	大学	教授	西宁市	81000	
王小红	女	23	新疆	汉族	初中	售货员	乌鲁木齐市	83000	
李小明	男	39	内蒙古	汉族	高中	司机	呼和浩特市	01000	
张小红	女	26	吉林	汉族	初中	工人	长春市	13000	
赵国强	男	51	辽宁	汉族	小学	农民	沈阳市	11000	
刘小华	女	31	黑龙江	汉族	高中	护士	哈尔滨市	15000	
陈伟明	男	41	河北	汉族	大学	医生	石家庄市	20000	
周小芳	女	28	山西	汉族	初中	工人	太原市	25000	
吴大刚	男	56	山东	汉族	小学	退休	济南市	24112	
孙丽娟	女	32	河南	汉族	高中	会计	郑州市	45000	
郑国强	男	47	湖北	汉族	大学	教授	武汉市	43000	
王小红	女	21	广东	汉族	初中	售货员	广州市	51000	
李小明	男	37	四川	汉族	高中	司机	成都市	61000	
张小红	女	24	安徽	汉族	初中	工人	合肥市	23000	
赵国强	男	53	湖南	汉族	小学	农民	长沙市	41000	
刘小华	女	30	江西	汉族	高中	护士	南昌市	33000	
陈伟明	男	43	福建	汉族	大学	医生	福州市	35000	
周小芳	女	25	广西	汉族	初中	售货员	南宁市	53000	
吴大刚	男	54	云南	汉族	小学	退休	昆明市	65000	
孙丽娟	女	35	贵州	汉族	高中	会计	贵阳市	55000	
郑国强	男	44	海南	汉族	大学	教授	海口市	50000	
王小红	女	20	重庆	汉族	初中	工人	重庆市	40000	
李小明	男	36	陕西	汉族	高中	司机	西安市	71000	
张小红	女	23	甘肃	汉族	初中	售货员	兰州市	73000	
赵国强	男	50	宁夏	汉族	小学	农民	银川市	75000	
刘小华	女	29	青海	汉族	高中	护士	西宁市	81000	
陈伟明	男	40	新疆	汉族	大学	医生	乌鲁木齐市	83000	
周小芳	女	27	内蒙古	汉族	初中	工人	呼和浩特市	01000	
吴大刚	男	58	吉林	汉族	小学	退休	长春市	13000	
孙丽娟	女	33	辽宁	汉族	高中	会计	沈阳市	11000	

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Amid the Dollar's Gains, Traders Turn a Bit Cautious

By Carl Gewirtz
International Herald Tribune

PARIS — The mood in the foreign-exchange market remains uncontentedly upbeat about the dollar. But a mood of caution after last month's sharp appreciation of about 6 percent in Europe and 5 percent in Japan is likely to limit the speed of its rise.

The biggest immediate concern is a meeting of the Group of Seven leading industrialized nations in Berlin at the end of this week. European officials have been broadcasting that exchange rates will be a key topic of discussion.

The prevailing market view is that there is not much officials can do to stop the dollar, as long as the appeal of higher U.S. interest rates is not threatened by an

upturn in rates in Germany and Japan that no one expects to come soon.

Reflecting the dollar's popularity, a historically high 48 percent of the record volume of international bonds launched in January was denominated in the U.S. currency.

Nevertheless, the meeting in Berlin is spreading an air of caution. A decision to intervene to stop the dollar would have little chance of success unless it were accompanied by a change in policies — and any such change looks improbable, given the disappointingly slow growth in Germany and Japan.

Intervention can be effective, at least in the short term, if huge speculative positions can be scared out of the market. But disarray within the G-7 rules

out the prospect of coordinated intervention, analysts say.

France and Italy are believed to favor a strong dollar as a means of improving their own international competitiveness, and President Bill Clinton's administration is perceived as favoring a strong dollar to tame domestic growth and forestall an interest-rate increase by the Federal Reserve Board that could undermine U.S. stocks. What is less clear is how intent Germany and Japan are on halting the dollar's gains.

The president of the Bundesbank, Hans Tietmeyer, braked its ascent last week by saying the "normalization" of the dollar's exchange rate was "nearly over." But the German central bank's main fear, said Patrick Armus of Caisse des Depots in Paris, is not of

importing inflation through a weakened exchange rate but of a sell-off in German bonds.

Close to 60 percent of German government bonds, or Bunds, are held by nonresidents of Germany, Mr. Armus said, and Germany "can't afford a weakening of the mark that scares foreign holders into dumping their bonds." German officials have often insisted that long-term interest rates have much more impact than short-term rates on business investment and overall growth.

The figure on nonresident holdings is exaggerated, as a large amount of it represents domestic tax evasion — principally, German money shipped to Luxembourg and reinvested in Bunds. But the exposure to foreigners is large

compared with that of the French and Italian markets, where nonresident holdings are less than 10 percent.

Similarly, Mineko Sasaki-Smith at Credit Suisse First Boston in Tokyo argued that the Japanese government, which historically has aimed for a weak currency, had solid reasons for opposing a further rise in the dollar.

With Japan's official short-term interest rate pegged at a historically low 0.5 percent and wholesale prices rising at 0.8 percent in the past two months because of the weakening yen, bank depositors see the specter of negative interest rates, she said. If they withdraw deposits in search of higher yields, she warned, it would intensify Japan's banking crisis and risk destabilizing an already wobbly stock market.

Broad EMU Is 'Time Bomb,' Top German Bankers Warn

DAVOS, Switzerland — Leading German bankers held out the prospect Sunday of turmoil on financial markets if Italy and "certain other countries" were allowed to help launch Europe's single currency in 1999.

Only by limiting economic and monetary union at first to countries with the strongest currencies can the euro hope to win the markets' confidence, they said at the annual World Economic Forum meetings in this ski resort.

"If Italy and certain other countries are in, a time bomb is ticking within EMU," a board member of Deutsche Bank AG, Ulrich Cartellieri, said. "The fiscal success that the government in Rome has enjoyed recently cannot be maintained in the long run."

Horst Siebert, president of the Kiel Institute of World Economics, said the Deutsche mark could plunge, with the dollar reaching 2 DM, if monetary union extended south of the Alps. The dollar closed in New York on Friday at 1.6386 DM.

"The euro will probably be weak, inflation will rise in Europe, we will have financial instability in world currency markets and political disputes on the dollar-euro exchange rate," he said.

Italy, Spain and Portugal have insisted for months that they will be founding members of the euro and have used tough savings drives to help meet national economic criteria on deficits, debt, inflation and interest rates.

"Spain can make it," said a Dresdner Bank AG board member, Ernst-Moritz Lipp. "Italy probably not. But it does not work politically to have Spain take part in EMU without Italy."

He said, "The political art and task for Germany and France now is to convince Spain to forgo joining EMU at the start." He called the possibility that a large number of countries would launch the single currency "a sword of Damocles hanging over financial markets."

Johann Wilhelm Gaddum, vice president of the Bundesbank, declined to speculate on which EU members might be in the founders' club but said, "If there are unjustified compromises in the selection process, there is the threat of turbulence." Finance Minister Theo Waigel said there was no point in speculating about participants until early next year, when countries' 1997 economic performance will determine their eligibility.

The president of the European Commission, Jacques Santer, said a "significant number" of countries would join, but he did not say which ones.

BANK: Broader Horizons?

Continued from Page 11

small group of countries and why countries such as Spain and Italy are determined to be present at the beginning.

According to the Maastricht treaty on European unity, the central bank's policy-making core will be a six-person executive board whose members will be appointed to eight-year terms by the first group of countries to adopt the euro.

If that group includes just Germany and a handful of hard-currency allies such as Austria, Belgium, France, Luxembourg and the Netherlands, the board is likely to continue to follow today's German-dictated monetary policy.

If the group includes southern European countries with less of a history of price stability, the board may take a more moderate stance.

One Spanish diplomat said the risk of being locked out of the executive board for the first eight years of monetary union is one of the biggest reasons Prime Minister Jose Maria Aznar has focused Spain's entire economic strategy on entering monetary union in 1999.

What do central bankers themselves think? Helmut Schlesinger, the former president of the Bundesbank, said the European central bank's sole objective under the Maastricht treaty was price stability.

But Wayne Angell, the chief economist of Bear Stearns & Co. who stepped down from the Federal Reserve Board in 1994, predicted a more heterogeneous viewpoint that would reflect Europe's differing traditions toward money.

"It will develop its own flavor," Mr. Angell said. "I would expect that flavor to be somewhere between the Bundesbank and the Federal Reserve."

ROMANIA: Constantinescu's Government Seeks \$500 Million in Emergency IMF Aid

Continued from Page 11

IMF standby credits, analysts said, plus a further \$500 million from the World Bank. Last year, it received about \$100 million of a planned \$460 million standby IMF loan that was suspended ahead of November's elections. The IMF managing director, Michel Camdessus, visited Bucharest in December, and last Friday, Mr. Constantinescu met James Wolfensohn, the World Bank president, here in Davos.

In an interview here, Mr. Wolfensohn said he had discussed Romania's situation with Mr. Constantinescu. "I am very impressed with him and his policies," Mr. Wolfensohn said. "We look forward to working with his government in a supportive way."

The result of the austerity conditions that would come with an IMF and World Bank loan package, the Romanian president acknowledged, would be "extremely tough social consequences for Romania."

Mr. Constantinescu, 57, also said in the interview that he would travel to Brussels on Monday to ask the NATO secretary-general, Javier Solana Madariaga, to consider Bucharest's application for membership in the military alliance.

Observers, however, do not believe Romania stands much of a chance of early admission to the North Atlantic Treaty Organization.

Although Russia remains opposed to the idea of Romania joining NATO, Mr. Constantinescu said that was a top pri-

ority for his new government, "as well as for a huge majority of our people." He added that he would be happy to have NATO troops on Romanian soil and to offer airport facilities as well.

"The Romanian economy," he said, "is not working." He said gross domestic product in 1996 grew by 4.4 percent, but the new austerity program is expected to lead to zero growth in 1997. Likewise, unemployment was put at 6.4 percent by the previous government, and with the restructuring of state industries, it would probably jump to 10 to 12 percent this year.

And Romania's inflation rate, which was running at 57 percent in 1996, would spike up sharply because of the liberalizing of energy and other prices.

The most optimistic figure for 1997

would be inflation of more than 80 percent, said the president. He said his aim, however, was to stabilize the economy and bring inflation down to an annualized rate of 25 percent by the end of 1997.

Mr. Constantinescu also said he was aware that the austerity plan would probably produce "very harsh reactions," but he asserted that there was no choice.

"The Romanian economy can be compared to a sick person who can be saved by open-heart surgery," the president said. "We do not have time to prepare the patient with vitamins. We will have to have the operation immediately but we will need a blood transfusion, otherwise the patient could die."

SOROS: Financier Sees 'Crying Need' for a Debate Over Europe's Political Foundations

Continued from Page 11

their economic conditions improve.

Q. Changing the subject, you have recently been at the center of controversy over your criticisms of the capitalist system. What is your message here?

A. My argument is that the fact that government intervention has proven to be ineffective and creating market distortions is no reason to believe that markets are perfect.

Q. But what exactly do you mean when you say that capitalism can be a threat to an open society?

A. In my view, the laissez-faire ideology is akin to the Marxist ideology in that it is rooted in a 19th-century view of social affairs. This is based on the phenomenal successes of the natural sciences. But the natural sciences have

come to recognize the elements of uncertainty and chaos. We need to take that intellectual step of recognizing fallibility. That is my message.

Q. But could you try and relate this philosophical construct of yours to actual markets and capitalism?

A. Laissez-faire ideology has not been translated into reality when 35 percent of U.S. gross domestic product is the government sector. You could also say that Marxist ideology was not translated into Soviet communism. At the margin, we are being motivated by laissez-faire ideology, with examples such as welfare reform, or leaving it to business to take care of health care, and this has the unintended consequence of making the bureaucracy of health-maintenance organizations override the view of doctors.

Q. And what are some of your recommendations, then?

A. A different approach to health-care problems is needed. I think managed competition in the health sector was a crazy idea. But I don't actually have the answers. What I am doing is raising the problems; and I am trying, for example, to provide partial answers, such as the Emma Lazarus Fund to correct injustices done to illegal immigrants or the need to have more campaign finance reform, to create a "clean money" option. But there are no panaceas.

Q. Some of your critics say that much of what you are saying now reflects the guilt feelings of a man who has become enormously wealthy. How do you respond to this criticism?

A. Well, my ideas about fallibility, for example, have been very helpful in making the money.

Q. Let's turn to Bosnia. Where do things stand at present, in your view?

A. The future of Bosnia remains up in the air. The institutions designed in Dayton are empty shells. So much depends on what happens in Belgrade and in Zagreb, and I would say even more in Zagreb because the hard core of Bosnia-Herzegovina remains intact. One can only hope that European statesmen will have learned from experience in Bosnia and will act to pre-empt more problems by devising a consistent policy in the region and then sticking to it. We should also think about disturbances in Albania, about social tensions in Macedonia.

Q. Is there any hope of apprehending the alleged war criminals in the region?

A. I think it would make a very big difference if that happened, but I don't have any indication of imminent action.

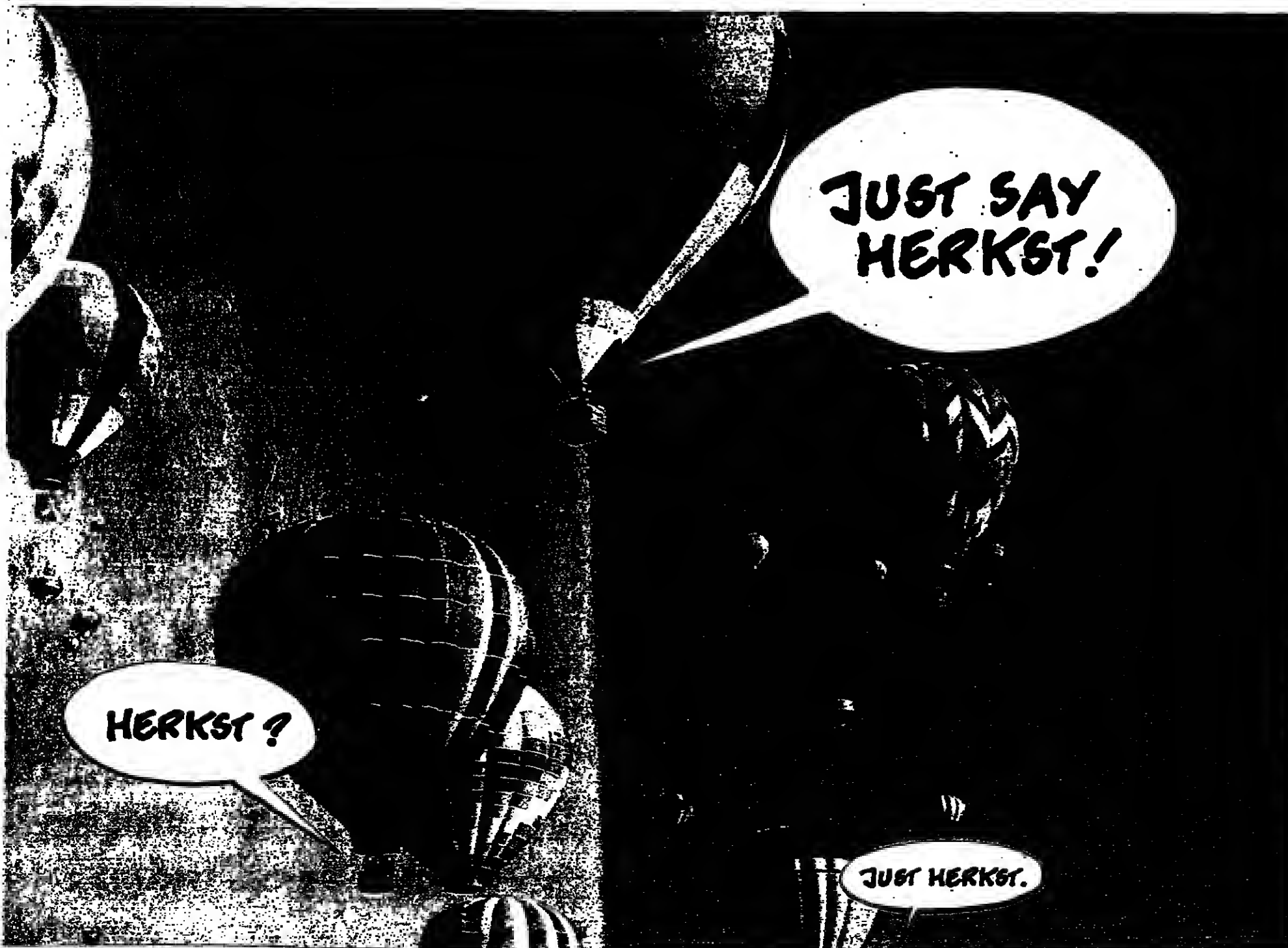
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SPORTS

NBA Missed Out on Serbian Star

By Ian Thomsen
International Herald Tribune

LONDON, Spain — The NBA got this one wrong. In two months with the Portland Trail Blazers, Aleksandar Djordjevic appeared in eight games and accomplished nothing. Since quitting the NBA he has played 13 games in Spain for FC Barcelona and has won seven of them — seven — with shots in the last minute, sometimes the last seconds.

Djordjevic, a 29-year-old Serb, is the world's best non-American point guard. On Saturday night he was typically amazing in Barcelona's double-overtime, 115-102 victory against Real Madrid in a quarterfinal of the King's Cup, the mid-season Spanish basketball.

In the last two minutes of regulation time, Djordjevic scored six points and assisted another basket before Madrid, the match, forced overtime on a missed rebound put-back by the American Joe Arlauckas. With nine seconds left in the first overtime period Djordjevic scored to force a second extra period.

In the last 100 seconds he scored 17 points, including the tie-breaking three-pointer with 12 seconds to go that everyone in Spain knew he was going to take and which no one in the world could have prevented. As the ball left his hand he was smiling.

American coaches can damn Euro-basketball all they want, but when Djordjevic is dribbling away the last seconds with the understanding that a miss could give his nearest rivals a free shot to win one of the biggest games of the year, and then smiling before the shot reaches its height — that's the kind of confidence that made the NBA famous.

"For my whole month in Barcelona, almost every game we have won like that," he said after scoring more than half of his 30 points in the last two minutes of regulation and the overtime. "Hopefully now we're going to start winning some games before the last seconds."

Djordjevic tried out with the Boston Celtics in 1990, near the end of Larry Bird's career. Less than two years later, he again piqued NBA interest when he hit a sensational three-pointer in the final seconds to win the European Championship with Partizan Belgrade.

"That felt so good, like a dream coming true," he said. "When I was a boy, I used to be in the stands with the scarf cheering for Partizan. This is the only European championship Partizan has won and I was captain of the team, the leader. All of those years I was practicing by myself as a kid saying, 3 seconds left, 2 seconds, 1; now, when I am grown up and it really matters, the ball goes in."

THE SAME story has been told by countless NBA champions, and it indicates that international borders are irrelevant when a player like Djordjevic comes along.

He and fellow Partizan guard Predrag Danilovic moved into Italian basketball as war broke out in Yugoslavia. Danilovic was clearly preparing himself to join the NBA and is now scoring consistently with the Miami Heat. Djordjevic, however, spurned several opportunities until last summer in Atlanta, when he kept Yugoslavia close for three-quarters of the Olympic final against the host-NBA Americans. "I was so fired up," Djordjevic said.

Now, he wonders whether he should have tried to negotiate with the Atlanta Hawks and coach Lenny Wilkens, who

was head coach of the Dream Team and expressed interest in Djordjevic. Instead, Djordjevic accepted Portland's offer for the NBA minimum salary of \$247,000. (Djordjevic's contract with Barcelona is reportedly worth \$3.3 million for two and a half seasons).

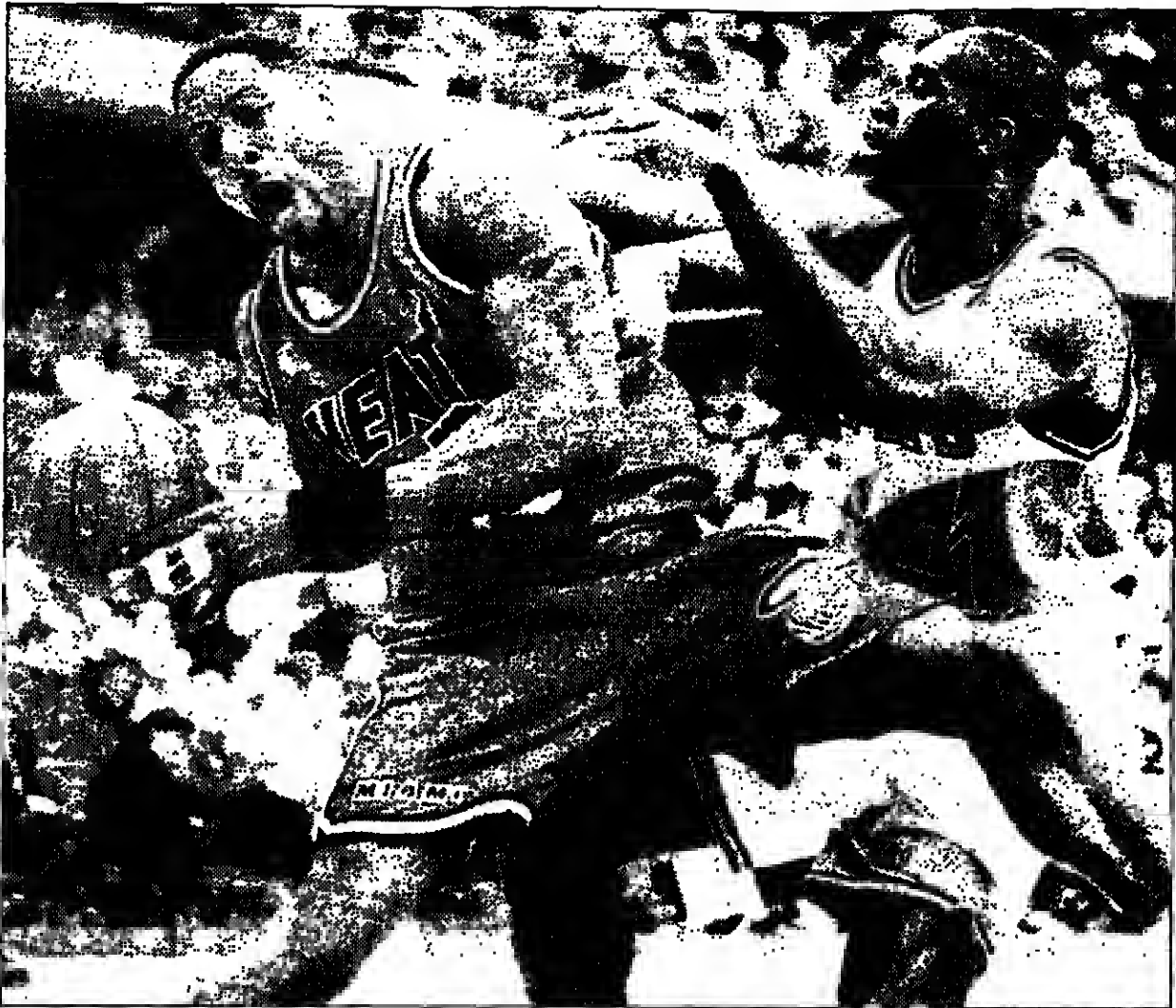
Djordjevic understood that he would be Portland's back-up point guard, because he believed he could do enough in 15 minutes per game to eventually command a starting position in the NBA. As it turned out, the Trail Blazers coach, P.J. Carlesimo, branded him a defensive liability and limited Djordjevic's NBA career to 61 minutes.

"Obviously, the coach had a lot of problems," Djordjevic said. "He doesn't communicate with the players. It's not like figures on a chessboard, where you move the pieces saying the horse can do that, the queen, the king."

"Now I'm feeling a little bit cheated. The people were so nice, but the coaches didn't talk to me. You would think they would talk to the players, especially the guy who is the point guard, who comes from another culture."

Obviously, each NBA coach knows his team best. But it's just as obvious, watching Djordjevic this weekend and last summer in Atlanta, that he flourishes under pressures that would undo many NBA regulars. He said he is content now to be one of those great players that Americans will never know.

"There are a lot of players on the high level of Europe who can easily play in the NBA — easily," he said. "I'm not underestimating the NBA level. I am saying that you can find players on the same level in Europe. They just have to go to the right NBA team at the right spot and the right age. Me, I am 29. I just want to play."



The Heat's Alonzo Mourning, left, being fouled by Mark West of the Cavaliers, who were held to 66 points.

Clippers Hanging Tough, for a Change

Compiled by Our Staff From Dispatches

LOS ANGELES — For the last three seasons, the Los Angeles Clippers have been all but eliminated from the playoffs by the All-Star break.

Not this year. The Clippers won Saturday night for the fourth time in their last five games, beating the Golden State Warriors, 110-98.

The Clippers hold a one-game lead over the Warriors in the race for the eighth and final Western Conference playoff berth and have won two of three games from Golden State since.

The Clippers shot a season-high 70.6 percent in the third quarter and led, 84-74, going into the fourth. Loy Vaught had 25 points and 13 rebounds and made 11 of 17 shots as Los Angeles shot a season-high 60 percent for the game.

Heat 71, Cavaliers 66 Alonzo Mourning scored a modest 15 points to lead Miami to victory in Cleveland.

The Cavs, who have been held to the two lowest totals in franchise history in their last two games, have lost 10 of their last 13. They were held to 65 points last week against New York.

The Heat, the Atlantic Division leaders, set a franchise record with their 21st road victory of the season.

Mavericks 100, Jazz 97 In Dallas, Derek Harper had season highs of 29

NBA ROUNDUP

points and 11 assists and Chris Gatling added 19 points and 12 rebounds as the Mavericks rallied from an 11-point deficit to snap Utah's five-game winning streak.

Pistons 96, Nets 75 Grant Hill scored 22 points and had his fourth triple-double of the season as visiting Detroit extended its winning streak to five games. Hill added 11 rebounds and 11 assists to give him the 15th try of his

career and the second in as many weeks.

Kings 112, Nuggets 107 In Denver, Sacramento's Mitch Richmond had 35 points and a career-high 13 rebounds before fouling out.

Kevin Gamble scored 23 points off the bench and a former Nugget, Mahmoud Abdul-Rauf, added 20 for the Kings.

76ers 109, Bucks 100 In Milwaukee, Don MacLean scored seven of his season-high 29 points in the final three minutes as Philadelphia beat the slumping Bucks.

Rookie sensation Allen Iverson had 23 points and a season-high 14 assists and Jerry Stackhouse added 21 points for the 76ers, who have gone 3-3 since ending a 13-game losing streak.

Pacers 110, Suns 96 Walt Williams scored 33 points as the Pacers cruised to victory over Phoenix. Wesley Person scored 23 points for the Suns, who fell to 4-21 on the road. (Reuters, LAT)

Wake Forest's Duncan Takes Charge

Deacons' Dreams of Title Rest on Shoulders of Its Senior Star

By Jennifer Frey
Washington Post Service

Tim Duncan has never lost to the same basketball team two times in a row. He won't allow it, won't tolerate it, won't accept it. In his four years at Wake Forest, if the Demon Deacons lost to a team, they have always won the second time around.

So when Maryland took Wake Forest apart with some brilliant basketball in the first half of Saturday's game, Duncan knew things had to change. He had already lost to Maryland this season — on a buzzer-beater Jan. 19. He was not going to let it happen again.

"I think I was really aggressive in the second half," Duncan said. "I had to get things clicking. I knew it all started with me."

These are the most important statistics from Saturday's game: Duncan scored four points in the first half and 25 in the second. That's one fewer point after halftime than the entire Maryland team. Keith Booth scored 16 points in the first half and six with Duncan all over him in the second — and none of those six points came in the last 12 1/2 minutes of the game. Result: Wake Forest won the rematch, 74-69.

"Let's just say, Tim takes things seriously," said Ricky Lowery, Duncan's brother-in-law. "He doesn't like anyone to get the best of him."

There was something entirely different about Duncan when he took the court after halftime with the Terrapins leading, 43-31. Duncan looked almost like a zombie in the first half. He looked like a man possessed in the second.

In the first 4 1/2 minutes of the second half, Duncan scored nine points and Maryland's lead was cut to two. Two of those points came on a jaw-dropping spin. The Terrapins scored once — on two free throws by Booth — over that same span.

"Our team wasn't playing very well — I wasn't playing very well," Duncan said. "I needed to help our team."

No one on Wake Forest will dispute that the team's 18-1 record, its No. 2

national ranking and its national title hopes rest squarely on the shoulders of one player, although the players occasionally forget. There was a point in the second half, with Maryland up two and about seven minutes left, when the Wake Forest coach, Dave Odom, was standing on the sideline pointing frantically at Duncan. On the past three Deacon possessions, Duncan had not touched the ball. Odom found that unacceptable — actually, he found it ludicrous.

"We have a plethora of offenses that go to him," Odom said. "Pick one, please!"

On the next play, Duncan made a turnaround jumper in the lane. On the next, he made a hook shot. And on the next, he stepped back and let Ricky Peral shoot a three-pointer. Suddenly, Wake Forest had its first lead since the opening minutes of the game.

"All I want," Odom says, "is for us to explore our very best offense first."

And that means Duncan. The Maryland coach, Gary Williams, called Duncan perhaps the best college big man since Patrick Ewing. There is no question that the NBA would have loved to have him in last year's draft, after his junior season. He didn't want to go. Odom said then that he thought Duncan, at 20, really didn't want to be spending his life with a bunch of 30-year-old teammates living out of hotels. He wanted to be a kid one more year. And his relatives say Odom summed up Duncan's decision to a T.

"This is his 'lime' time," said Lowery, who met his wife, Tim's sister Cheryl, in St. Croix, where both families lived. "That's what we call it in St. Croix — 'lime' time. He's just chilling. The rest will happen soon enough."

Oddly enough, the player who took Maryland apart in the second half really did look like a big kid having fun in the locker room later.

Long after he and all his teammates had finished dressing, Duncan sat on a corner bench, his head on his sister Tricia's shoulder, whispering in her ear. There was no talk of the game, no talk of

basketball. With Tim, there over is Tricia speaks with her "little" brother by phone regularly, and he never mentions last night's game or the game coming up or anything like that. It's not his entire life. Never has been.

"We talk about his haircuts, I broke a nail, school," said Tricia, who lives in Baltimore and works at Johns Hopkins University. "He never talks about the NBA, he never talks about any of it. I only see all that in him when he's on the basketball court. He's really focused, really driven."

Well, perhaps there is one more place where Tim Duncan gets that magical drive, that refusal to lose. It's when he plays video games against his 12-year-old nephew, Shane, son of Rick and Cheryl Lowery. Duncan acts as if he's 12, too, and refuses to let Shane win just because Shane is 12.

"He's a big kid, all right," Lowery said, glancing over at Tim. "But, ooooooh, he knows when to take over, doesn't he?"

Kansas Holds Off Nebraska

Kansas, unbeaten and ranked No. 1, survived a late-second miss in regulation, then Rafel LaFrentz took over in overtime against unranked Nebraska. The Associated Press reported.

LaFrentz scored 11 of his 20 points in the extra session. Kansas (22-0, 8-0 Big 12) won its 40th straight home game.

Tied at 60, Nebraska (11-9, 3-5 Big 12) held the ball for most of the last minute for a final shot in regulation. But Tyrone Luc, who led the Cornhuskers with 26 points, missed a long 3-pointer just before the buzzer.

No. 3 Kentucky 82, Georgia 57 Georgia (15-5, 4-4 Southeastern Conference) made its first seven shots in taking a 17-7 lead in the first 5 1/2 minutes. Then Kentucky (20-2, 8-1) turned up the defensive pressure and finished with a comfortable victory.

No. 12 New Mexico 67, No. 4 Utah 71 New Mexico (16-3, 5-2 Western Athletic Conference) dismantled one of the nation's top defenses to extend its winning streak at home to 22 games.

Richter Shines in the Net, Saving the Rangers

Compiled by Our Staff From Dispatches

The New York Rangers were outplayed for long stretches by a younger, bigger, much more physical team and were outshot 41 to 17, but they still won by two goals.

The Rangers had Mike Richter in the net. That is just about all you need to know about their 4-2 victory over the Flyers in Philadelphia on Saturday.

Richter, who made 39 saves, was nothing short of phenomenal, especially

NHL ROUNDUP

when the Rangers were outshot 16-3 in the second period. Colin Campbell, the Rangers' coach, said the ice seemed "tilted" to one side during that period.

Eric Lindros was everywhere, scoring the goal that gave the Flyers a 2-1 lead, and menacing just about everyone and everything in sight.

Still, the Rangers came out of the second tied, 2-2, thanks to Alexander Karpovtsev's power-play goal with 21.1 seconds left in the period.

But the real threats belonged to Richter. "They were pretty good in the second," said Mark Messier, who lifted the tie-breaking goal over Ron Hextall, the Flyers' goaltender, while skating backward at 2:54 in the third period.

"They were forechecking hard, and they got us on our heels with a couple of power plays. They really had it going. But Richter was incredible. He kept us in the game when they really took it to us in the second period."

The Rangers are basically a two-line team. The Flyers were throwing three strong lines at them all afternoon. The game showed that the Rangers simply do not match up.

Except in goal. And, fortunately for the Rangers, that is often the most important matchup.

Sharks 2, Avalanche 1 Kelly Hrudey stepped into the goal in the third period for the injured Ed Belfour as the Pacific Division's last-place San Jose edged first-place Colorado.

Jeff Friesen scored the game-winner 68 seconds into the third period. His 15th goal of the season came off a scramble in front of the Colorado net when he poked a loose puck past Patrick Roy, who lost to San Jose for the first time in his career.

Belfour hurt his knee with five minutes left in the second period when he tried to deflect a shot by Rene Corbet that hit the left post. Belfour completed the period but did not return. Hrudey stopped 11 shots in the third period.

Penguins 4, Coyotes 1 Mario Lemieux scored twice in Pittsburgh and Petr Nedved had a goal and an assist to lead the Penguins to victory over Phoenix.

Patrick Lalime made 29 saves for the Penguins, who snapped a two-game home losing streak.

Red Wings 4, Blues 1 Brendan Shanahan scored his 27th and 28th goals as visiting Detroit beat St. Louis in the first meeting between the Central Division rivals this season.

The win was only the second in seven

games for the Red Wings, while the loss was just the second in eight games for the Blues.

Braves 3, Lightning 0 At Tampa Bay, Ray Bourque had a goal and two assists to become Boston's all-time points leader and Rob Tallas made 25 saves for in first career shutout.

The goal gave Bourque 1,340 points, breaking a tie with John Bucyk. He has had goals in four straight games after scoring six times in his first 30 games.

Capitals 3, Panthers 1 Peter Bondra had a goal and an assist and Anson Carter scored his first NHL goal for Washington's victory in Miami.

Senators 2, Maple Leafs 1 Shawn McEachern scored one minute into the third period as Ottawa won an encounter between the lowest-ranking teams in each conference. The Doms scored the lone tally for Toronto, which has dropped four straight at home.

Flames 3, Canucks 0 Trevor Kidd made 31 saves for his third shutout of the season and Aaron Gavey scored a pair of power-play goals as Calgary beat visiting Vancouver.

Blackhawks 4, Kings 2 Ulf Dahlen and Denis Savard each recorded a goal and an assist for the Blackhawks as Chicago won in the Los Angeles Forum.

Canadiens 4, Devils 4 In Montreal, Steve Sullivan scored on a partial breakaway with 9:12 left in the third period as New Jersey rallied for a tie.

Dave Andreychuk scored twice for New Jersey, which has tied three straight games. (NYT, Reuters)

THIS WEEK ON EUROSPORT

Luc Alphand will be among the favorites to become the new Downhill World Champion: can he overcome the challenge of the reigning champion, Patrick Ortlieb?

Alpine Skiing:

3 - 6 February, LIVE, The World Championships, Sestriere

This week sees the men's Downhill and Super G while the women tackle the Slalom and Giant Slalom

Football:

6 February, PSV Eindhoven v Inter Milan
Two of the giants of the European games meet in the Netherlands

Extreme Sports:

3 - 9 February, The Winter X-Games, Snow Mountain, USA
The world's best extreme athletes meet in California for the first ever Winter X-Games

Biathlon:

4 - 9 February, The World Championships, Slovakia
Can Germany hold onto the Team title that they won in Ruhpolding



Europe's No. 1 biathlete, Luc Alphand, is the favorite to become the new Downhill World Champion: can he overcome the challenge of the reigning champion, Patrick Ortlieb?

